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MEXICO CALLED 'SPRINGBOARD' FOR SALVADORAN REFUGEES

Mexico City EL SOL DE MEXICO in Spanish 26 Feb 81 pp 1-F, 4-F

[Article by Pedro Seminario LL.]

[Text] Culiacan, Sinaloa (OEM)--The distressing situation in El Salvador at present in the main reason why Salvadorans risk entering Mexico illegally in an attempt to later get into the United States and find a job. For many of them, however, this remains only a dream, as they are caught by Immigration and returned to their country.

It is a proven fact that Mexico is a "springboard" for South Americans seeking to get into the United States. Thus, hundreds of illegal aliens are detained every year, with Salvadorans predominating recently, as they flee the problems besetting their country.

The 33 Salvadorans who were discovered by the Federal Judicial Police last Saturday morning as they tried to cross the border between Sinaloa and Sonora on board a cargo truck arrived in this port last night at 2100 hours and were placed in the public jail here.

Among them are 10 women and 3 children under the age of 11. Some of the women indicated that they were fleeing El Salvador because the Cubans, Nicaraguans and Costa Ricans are invading their country and causing destruction.

One of the women said: "All of them are going to take El Salvador over," adding that you do not see dead dogs in the streets of her country; you see the bullet-riddled bodies of children who are pitilessly murdered.

The illegal aliens who are being detained in this port indicated that they were fleeing the massacres being committed in El Salvador and that if it were possible, "we would rather stay in Mexico."

They indicated that there is no place to work in their country because most of the factories are being burned down, thus eliminating job opportunities. This is another reason why they venture into other countries, risking capture by Immigration or some other authority, which would then send them back to El Salvador. This will be the case with them once the corresponding procedures are completed.

The illegal aliens indicated that relying on the truck and the experience of their fellow countrymen Mauricio de Jesus Hernandez and Cesar Arnulfo Castro Garcia, they undertook their journey in the hope of reaching Los Angeles and finding farm work.

When they got to the tollbooth at the Sinaloa-Sonora border, the driver and his partner grew nervous in the presence of the Federal Judicial Police agents, who noting that the driver was extremely nervous, decided to pull the vehicle over further on and see what was inside. They then found the 31 Salvadorans without documents for remaining in the country.

The warden of the public jail, Genaro Astorga, pointed out that the illegal aliens arrived there at about 2100 hours and that the men and women were divided up and placed in the respective sections of the jail. They could not be given better attention nor kept separate from the other inmates because the jail is small and was already full.

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CSO: 3010

BRIEFS

CHILEAN COPPER SALES TO BRAZIL--Copper sales of the CODELCO-ENAMI [Copper Corporation-National Mining Enterprise] subsidiary recently set up in Sao Paulo will amount to some $300 million. The enterprise is 70-percent owned by CODELCO and 30-percent owned by ENAMI. The Brazilian market will receive some 130,000 tons of copper a year, of which 45,000 will be supplied by ENAMI. In addition, 2,000 tons of molybdenum will be supplied. Molybdenum is a by-product of the operations of large-scale copper mining. It was announced that the main purpose of this subsidiary will be to maintain contact with large Brazilian commercial enterprises and institutions in order to achieve great effectiveness and rapidity of operations. In addition, a report released by the enterprise states that ENAMI increased its production of electrolytic copper by 1,164 metric tons through the installation of the third transformer cable between the substation and the thermal powerplant at the Ventanas foundry and refinery. The document adds that the increase in production resulted in higher sales amounting to $3.33 million. In November 1979, the Ventanas foundry and refinery had a shortage of electric power which affected rectifiers in the electrolytic shed, meaning a drop in production of copper cathodes. With the third cable placed between the substation and the thermal powerplant of the Ventanas foundry and refinery, it has been possible to supply enough electric power to work with the fine coal mill and in the electrolytic shed using transformers in a normal fashion. [Text] [Santiago EL MERCURIO in Spanish 26 Feb 81 p C-5] 11,464

CSO: 3010

'SOMOS' REPORTS ON ATTITUDES, PLANS OF NEW MINISTERS

Buenos Aires SOMOS in Spanish 6 Mar 81 pp 4-11

[Article by Roberto Fernandez Taboada and Tabare Areas: "The President's Men: How They Think and What They Will Do"]

[Text] Horacio Tomas Liendo, Interior

His appointment as minister of interior did not cause any surprise: Some time ago it was known that Horacio Tomas Liendo (56) would be the political minister in the new phase of the process. But what not everyone knew (or imagined) was the important task that he would perform in the critical arrangements whichended in the formation of the cabinet that will take office on 29 March. Why Liendo? During the past 5 years he had two positions: the Ministry of Labor and the leadership of the Joint Chiefs of Staff. In both he demonstrated an uncommon political ability to impose solutions consistent with the underlying principles of the process (without reaching irrevocable confrontations), as well as a keen sense of leadership. He spent 34 months in the Ministry of Labor, and his subsequent post (according to observers) did not dim his image from the standpoint of the political and trade union spectrum, which regards him as "the right man to move from economic decisions to political decisions."

One of the most nettling problems that Liendo must solve is the restructuring and normalization of the political organizations. Although all his supporters avoid making statements, some rumors claim that June might be the key month for starting to deal with the "Statute on Political Parties," a complex package that will also necessitate bringing up for discussion matters such as the electoral law and justice system.

To date, there have not been any determinations on the way in which the normalization of the political parties will be carried out, although it is claimed that the options which the ministry's experts are studying include two different extremes: intervention or a state of assembly. In any event, one thing is true: the interforce compatibility team (on the level of the Military Junta) is already working on the matter.

This is not the only difficult issue. Liendo will also be responsible for determining and stipulating the extent of what is termed by the leading authorities the "political time" and the way in which the latter will pass down to the citizens.

It will be Liendo himself who will have to regulate what has been announced in political circles as the "political openness," whereas, in fact,there is no concrete information on what it really means and the extent to which it will go.

During the past few days, the political journalists who were in contact with Peronist and Radical leaders detected expectations of dialog and flexibility regarding the new minister that were different from those harbored in the case of Gen Albano Harguindeguy. There is another significant fact: In circles very close to the "verticalist" wing of Peronism it was commented: "Liendo showed a political acumen in the Labor Ministry that must be very carefully considered."

No one has any doubt that the future interior minister (he was born in Cordoba, and attained the generalship in 1975) is a man of few words, who is moderate and restrained, qualities that nurture the close personal friendship which he has with Viola. That same personal quality has caused him to maintain strict silence, for the time being, regarding the appointment of his closest collaborators. However, some disclosures claim that two undersecretaryships will be occupied by Gen Adrian Alonso (committed, methodical and concentrated) and Amaro Pourciel, who was private secretary when Liendo was in the Labor Ministry. Other rumors also venture the name of Rosendo Fraga, who might be head of the team of advisers.

Liendo's task will not be confined to the political bounds of Buenos Aires. His supporters claim that it is a constant concern of the new minister to achieve an effective, innovative means of establishing in all the provincial administrations (with or without military governors) an actual, progressive civilian participation and integration in the government cadres, with the municipalities serving as launching bases.

During the next administration the team of advisers will also take office, an entity which, insofar as we know, will have the mission of preventing the exercise of authority and everyday government problems from isolating the president. And in this area the rumors again cite Liendo's influential role in selecting names and deciding on functions.

In the political area, it is claimed that there will be places for Dr Jose Antonio Romero Feris, the autonomist leader from Corrientes and member of FUFEPO [Popular Federalist Forces], and Dr Guillermo Acuna Anzorena, of Popular Line. In both party and government circles, this is not the first time that Romero Feris has been mentioned as one of the leaders who has grasped Liendo's "political waves" most accurately.

Lorenzo Sigaut, Economy, Treasury and Finance

From Viola's standpoint, perhaps Lorenzo Sigaut (47 years of age, with a doctorate in economic sciences) is 5 years late in reaching the Ministry of Economy. In early 1976, the designated president had already proposed him to his peers to hold the position, which was eventually assumed by Jose Alfredo Martinez de Hoz. At the time, Viola's opinion was based not only on his personal manner, but also on accurate reports on the current economic situation that Sigaut had prepared more than once for the Army Staff. During the past few years, the contact between Viola and Sigaut has become closer and, until a few months ago, the latter served (on a private basis) as economic adviser and consultant.

Those who have personal contact with the new minister of economy, treasury and finance noted that, about 3 years ago, he began to be increasingly concerned with, and to pay greater heed to the prospects for the future. In June 1978, he published his forecasts (see SOMOS, No 92, of 23 June), predicting a better second half; something which was eventually borne out.

In the middle of last October, Sigaut returned to the arena: he was Viola's candidate to replace Martinez de Hoz. At that time, he made this assessment to a group of businessmen:

"The combined effect of the declining indications for the dollar and the quarterly tariff reductions is causing harm, in this order, to industrial, agricultural and livestock, and financial groups. The exchange blockage curbed the rise in prices of products that are marketable abroad, which account for between 60 and 70 percent of the cost of living prices that gage inflation; but the remaining 30 or 40 percent of the indicator, since it pertains to personal, educational and professional services, and labor and goods for construction used to carry out the enormous public works program, did not undergo this accelerated opening."

A month ago, Siguat had press contacts with Martinez de Hoz, and experienced his first (controversial) "baptism of fire": the polemical devaluation of 2 February, which apparently has not upset his future plans, although many think that he will take the helm of the Ministry of Economy with the vessel bound for a torrent. From what can be learned, Sigaut will act as coordinator of the entire area (industry and mining, commerce and maritime interests, public works and services, and agriculture and livestock raising);and as director of the fiscal, monetary (the Central Bank comes into his direct orbit), budgetary and tariff policy, he retains control of the major tools of economic policy. He is clearly defined (as LA NACION correctly depicted him) as a "primus inter pares" [first among equals]. The addition of the Ministry of Economy (it was previously the Ministry of Treasury and Finance) suggests his preeminance to some extent; because soon everyone will be talking about him as the minister of economy.

Sigaut has consolidated his definitive enlistment within the liberal trend, although his methods are (apparently) chiefly gradualist. He rejects (as does the rest of the team) the closed economies, and is persuaded that inflation narrows the people's horizon and produces the best breeding ground for social eruptions. It is likely that, on 2 April, he will anounce the measures that he is now analyzing in depth. On that occasion, he will only reaffirm the basic underlying principles of the plan which Martinez de Hoz announced on another 2 April (in 1976). Only then shall we learn the measures that the instrumental changes announced several times will put into effect.

Little has been disclosed about Lorenzo Sigaut's plans. However, business circles are sure that import surcharges will be implemented, and there will be no change in the timetable for tariff reductions nor in the openness philosophy. But, as a cyclical measure, those surcharges, while curbing the upturn in imports, would generate a certain amount of funds that would be used to supply long-term lines of credit for sectors and businesses that are in trouble owing to financial distress. At the same time, there would be applied certain reimbursements which (like those surcharges) would be in effect for a certain amount of time. The reimbursements would be used

for regional production and for sectors with actual opportunities for growth. Special reimbursements would also be applied to business firms that would reopen export markets. There is one question remaining, for which there is not yet an answer: What will happen to the "little table"? There do appear to be answers for the major policy lines: "no" to the closed economy; "no" to reimbursements which are not even reinstated as overall, general tools; "no" to real interest surcharges; "no" to the anti-inflationary mechanism of the exchange rate as it has been implemented thus far; and "no" to public spending.

Eduardo Valentin Oxenford, Industry and Mining

Civil engineer Eduardo Valentin Oxenford (aged 51) was the last of the ministers from the economic area that those in the know dared to cite as a sure candidate. It is claimed in business circles that he at first refused the offer, but was later dissuaded by Luis Maria Gotelli, chairman of the influential Argentine Businessmen's Council, an entity which includes among its members Jose Alfredo Martinez de Hoz himself. Oxenford is vice chairman of the Council. However, the fact that the unofficial experts were not inclined at first to confirm him in the Ministry of Industry and Mining was not fortuitous. No one could be unaware that Oxenford to some extent began the period of the most serious challenge to Martinez de Hoz' administration with his reverberating speech on Industry Day (which culminated in a heated response from President Videla).

Since that 2 September, Oxenford has quietly pursued his task of normalizing the once powerful Argentine Industrial Union, which was dismembered during the last Peronist government. Oxenford obtained the position of controller of the Union...after showing efficiency and discretion as head of the Argentine businessmen's delegations which, during the early part of the process, attended the periodic meetings of the International Labor Organization (ILO). Thus, despite the fact of his affiliation with the Argentine Industrial Movement (in which the Union's reserves were concentrated...after the Gelbard-related attacks, and with clearcut liberal origin), he nevertheless succeeded in maintaining dialog with other businessmen's groups, even the development movement members. Viola found in Oxenford a person representative of the industrial sector, just as Jorge Aguado is in the agricultural-livestock sector.

The new minister, who recently began his contacts with the secretary of industry, Alberto Grimoldi, will have to face an industrial situation affected by a visible shrinkage and with an indefinite number of business firms in a very difficult financial predicament. Such is the current situation, for which the remedies that he will propose to his peers in the economic area are readily apparent from some of the comments which he made last year at the Industry Day function:

"We consider the reduction of tariffs for input not produced in the country to be constructive and germane to an open economy, but we do not consider it fitting to accelerate the exchange timetable, which would accentuate further still the serious lack of protection caused by the overvaluation of the peso.

"The influence of the public sector on economic activity is still too preponderant, and little really effective action has been taken to abide by the principle of the state's subsidiary position."

Oxenford is an advocate of openness, but he rejects openness as an anti-inflationary method (he was among the first to cite the difference between the instrumental element and the philosophical element in the economic process); hence it may be anticipated that he will back the tariff corrections that are planned, but will attempt to preclude deviations in the direction of autarchism.

Diego Ernesto Urricarriet, Public Works and Services

Maj Gen (ret) Diego Ernesto Urricarriet (57 years of age) was not only Viola's comrade in arms, but (also) one of his most cherished friends.

A military engineer, Urricarriet was head of Military Manufactures, and had several confrontations with the present economic leadership, when he upheld the production of the basic industries. This comment rather correctly describes his view on basic aspects of the economy:

"It must be understood that, if we do not want to be mere satellites, we must develop our own basic industries. There are no examples in the world of great countries or those headed toward a destiny of greatness that have delayed as much as we in the development of basic industries, including the primary one: iron and steel."

Therefore, it can be taken for granted that he will be a persistent defender of sectors such as the iron and steel and the petrochemical industries. But it is also understood that his sphere of direct authority will include all the areas related to natural resources, something which will be one of the main concerns of the next government.

It has been learned that he will direct much of his effort toward the execution of the infrastructural projects in the interior section of the country.

Several members of the military will accompany Urricarriet in his administration, because the position has prevailed that the Armed Forces are to take charge of nearly all the state enterprises for services, or with an area of activity in strategic sectors. However, as the week progressed it was not yet learned whether one of the proponents of this idea, Rear Adm (ret) Oscar Abriatta, would be under secretary of energy. It was claimed that this position was being reserved for a civilian. But both Abriatta and the retired Generals Manuel Pomar, Emiliano Flouret, Carlos Guillermo Suarez Mason, Teofilo Goyret and Carlos Dallatea, among others, will head agencies and enterprises in the public works and services area.

For the post of under secretary of public works, there has been constant mention of the name of engineer Gustavo Carmona, who is currently national director of highways.

Jorge Ruben Aguado, Agriculture and Livestock

It will be incumbent on Jorge Ruben Aguado (aged 55 and, according to his supporters, a "perpetual leader") to pilot the area on which the core of the next economic cabinet's initial activity will surely revolve.

Why? Simply because the brand-new minister of agriculture and livestock will be the minister of foreign exchange. Aguado, a person with very definite guidelines related

to the liberal movement, will take over the ministry at a time when the flow of foreign exchange produced by the current record harvest is beginning to recover the Central Bank's jeopardized external position, a critical situation which has, for the present, been balanced with one of the tools that make the future minister most nervous: the increase in interest rates. With regard to this problem, he has stated more than once:

"The debt of the agricultural-livestock sector has become a snowball...The problem of the debt must be solved through long-term refinancing."

While, in the present circumstances, the income from foreign exchange resulting from agricultural-livestock exports will lay the foundation for the instrumental changes that will be made in the economy, at the same time Aguado will have the challenge of promoting the constant increment in the volume of the harvests. The minister (economic observers claim) will have a good amount of presidential backing: It is known that General Viola is determined to strengthen the agricultural-livestock and agroindustrial activities to the maximum degree.

Just as Aguado will have to cope with the situation of a sector deeply in debt (the Confederation of Buenos Aires and the Pampa Rural Associations [CARBAP] have calculated that, if a producer had taken a loan at the beginning of 1980 for the equivalent of 100 young cattle, when he finished paying for the loan he would have paid the equivalent of 40 young cattle in real interest), he will also have to deal with the claims of a decline in income return for the sector. In 1980, retail prices rose 87 percent, nonagricultural-livestock wholesale prices rose 66 percent, input for the sector increased 85 percent and agricultural-livestock wholesale prices rose 37 percent. Thus, the problem of the debt is compounded by that of the decline in income return; and therefore it is to be anticipated that Aguado will promote the release of the exchange rate as often as he can. On this subject, he has often commented: "Not releasing the exchange market shows that we are faced with a policy of state control of the economy."

The minister was virtually the only one who unhesitatingly supported the controversial devaluation of 2 February. Just as this may be interpreted (in addition to being an action based on conviction) as tacit support for Lorenzo Sigaut, it is taken for granted that he will work shoulder to shoulder with the latter to achieve the reduction of the state apparatus; something that the rural areas have constantly demanded, so as to lessen the tax pressure.

Carlos Garcia Martinez, Commerce and Maritime Interests

Because of confidence, friendship and memories (they were schoolmates), Carlos Garcia Martinez (aged 45, with a doctorate in economic sciences) is the member of the next cabinet most closely related to Lorenzo Sigaut. It will be with him, precisely, that Garcia Martinez will have to determine the predictable revisions that the tariff structure will undergo. With Alejandro Estrada, the Secretariat of Commerce became a key agency in the process, taking charge of the opening of the economy.

The tariff policy will now be transferred to the Ministry of Economy, Treasury and Finance, but the Ministry of Commerce and Maritime Interests will continue to retain at least approval for the reforms because, for example, the implementation of the antidumping regulations will remain in its orbit. A decision will also be made in

favor of the Commerce Ministry (the contacts between Garcia Martinez and Estrada began on Tuesday) with the maintenance of the commercial attaches' offices under its aegis, because the new minister is an expert in foreign trade and an ardent integrationist.

A definitely liberal individual (anyone wishing to become better acquainted with him can read one of his most astute books: "The Argentine Spider's Web"), he rejects closed models, although he also rejects unlimited openness. In the entrepreneurial area, he has been assigned, a priori, the task of an internal arbitrator in the economic cabinet, in view of the inevitable differences which (it is anticipated) will occur. For the position of under secretary of maritime interests, the appointment of Rear Adm Alberto Cesar Barbich is taken for granted.

Julio Cesar Porcile, Labor

When General Viola was analyzing the formation of his government team (and diagraming strategies), he did not overlook the fact that much of the fate of his administration would be determined by the degree of communication and operativeness in two ministries: those of interior and labor. Obviously, every action of the political ministry will have repercussions in the labor area. Therefore, he opted to name Brig Gen Julio Cesar Porcile, with whom (it is claimed) he has a more than optimal relationship. Porcile has two advantages over any other candidate that are not to be disdained: he is familiar with the real situation (he was controller of CGT [General Labor Confederation]), and he demonstrated political acumen while working with Horacio Tomas Liendo. But, in addition, he is thoroughly familiar with many of the regulations that govern or will govern trade union activity: he is currently head of CAL [Legislative Advisory Commission].

On Porcile's horizon there are two problems which stand out above all the others: the normalization of the union entities and the government's relationship with the groups which claim to represent the trade unions. It is known that CGT will start an intensive campaign to become a spokesman with Viola or (at least) with his labor minister. Therefore, it is to be expected that CNT [National Labor Commission] will also start its counteroffensive (for the same purpose). It is here that observers see the common ground (political action) that will exist in the conduct of Interior and Labor, considering the comings and goings that the Peronist labor movement has engaged in with the party's political leadership.

During the past few days, certain hypotheses have been circulating among some union sectors that are optimistic about Viola's forthcoming taking of office. They claim that the new administration may assume a more flexible stance toward the implementation of the Law on Professional Associations. That information could not be confirmed officially, but it is sufficiently enlightening with regard to the area in which Brig General Porcile will have to take a stand. Other rumors also claimed that two individuals with acknowledged political skill would be named under secretaries: one, Col Jose Lagomarsino, the present coordinator for the political and trade union area of Viola's transition team; and the other, Commodore Hector Raul Pedrerol, a close collaborator of Basilio Lami Dozo in the Air Force.

Amadeo Frugoli, Justice

Since the discussion of the appointment of the minister of justice began, the name of Amadeo Frugoli (aged 51) was identified with that position, and few alternatives were given in the rumors that were circulating. (The other candidate was Julio Oyhanarte, former head of the Supreme Court of Justice).

Why Frugoli? According to those who are familiar with the intimate details of the selection of ministers, the forthcoming period will require that the minister of justice (in addition to being a solid law expert) be a person with recognized political ability, capable of handling the juridico-institutional backup of the process with ease.

Frugoli's supporters (who number many, both within and outside of the Mendoza Democratic Party) did not deny the rumors during the past few days which claimed that the future minister would take to Buenos Aires well-known personages from the Mendoza legal profession to occupy important positions, although they refused to give names.

But what has indeed been affirmed is Frugoli's decision to undertake in a determined fashion measures aimed at hastening the process of the administration of justice, most especially in the labor courts, which are now loaded with cases. In this regard there are certain sectors associated with the justice system which claim that, "Aspirin will be of no use to Frugoli; he will have to operate." They are speaking, concretely, about the fact that the remedies to hasten the administration of justice (changing codes, creating more courts and providing basic facilities for the offices) have already been used, and with not very fortunate results.

In any event, the tone that this ministry will have appears to be the result of a fact that went unnoticed by many when the reform to the Law on Ministries was being discussed: Viola's team precluded the possibility of this ministry's becoming subordinate to the Interior Ministry (returning to its old title of Interior and Justice), and its independence was retained. It is claimed that the firmest decision in this respect was maintained by Viola himself. Frugoli reportedly favors undertaking thorough studies immediately to improve the prison policy.

Carlos Burundarena, Culture and Education

The Ministry of Culture and Education is one of the most deficient flanks in the process: three ministers (with different features) in 5 years, and meager results. Perhaps this affirmation alone (shared even in the most intimate areas of the government) explains how difficult it was for Viola to choose the person that would become installed in the office at Pizzurno and Paraguay. Carlos Burundarena (aged 60) is the first engineer to hold the position of minister of culture and education. He prefers to work in shirtsleeves, without a tie, and has said more than once that he has lacked political activity. He has another feature: he did not know Viola personally until the latter offered him the post (at 1750 hours on the afternoon of Friday, 27 February). What is his thinking? It is said that, 2 days after his appointment, he described himself to a close associate as a "Catholic minister" and not a "minister who is Catholic," a more than significant description to those who are bent on making comparisons between Carlos Burundarena and Juan Rafael Llerena Amadeo. Throughout his 30 years as a teacher, the new minister showed obvious consistency in developing one idea: participation. He is convinced that the community

will devote itself to schooling (and hence take a real interest in the educational system) when it is granted a role of actual participation. And proof of that kind of thinking lies in the teaching and learning plans put into effect while he was controller of the National Technical Education Council (CONET).

Those who know him claim that he has a virtue which is rather uncommon in someone holding that ministry post: skill and resourcefulness to prevent his initiatives from becoming shipwrecked in the deep sea of ministerial bureaucracy. In the contacts made during the past few days, he was heard to say that he will need at least 3 months (from a political standpoint, it should be interpreted as a "guarantee") in order to "take the ministry in hand."

At the moment, it is not known for certain what Burundarena will do about the Federal Education Law, one of the most difficult and controversial matters that he must deal with immediately; although some rumors claim that he will not follow Llerena Amadeo's methodology in drafting it, and that, in his talks with collaborators, there is a "little word" that crops up often: "summons."

Moreover, thus far no one has heard what his specific plans will be on such explosive issues as school dropouts and the education budget. Regarding the latter, it may be recalled that Burundarena has excellent business contacts, and it is claimed that he would be very willing to use them. It is also said that he might revise the system of university quotas, and that he will arrange (on the tertiary and secondary levels) alternative short courses and courses with an assured labor output. Those same sources also emphasize that Julio Cesar Gancedo will continue to head the Secretariat of Culture.

Oscar Camilion, Foreign Relations

When he arrived at Ezeiza to return to Brazil, after learning about his appointment, Oscar Camilion clearly revealed his entire political quality. The newsmen surrounded him; he spoke and answered all the questions; but he said nothing concrete about the issues and situations concerning which Viola asked confidentiality of his ministers. The appointment of Camilion (aged 51) was one of the most complex ones. It displaced Rafael Martinez Raymonda, and revived the controversy about his real degree of dependence on the Integration and Development Movement (MID). What seems obvious is that his appointment was a result of a personal decision on the part of Viola, and not an agreement with MID, which was not consulted. It was Camilion himself (so it is said) who informed Rogelio Frigerio of his decision to accept the position, although it is known in some circles that there was a formal meeting of the Development Movement leadership at which it was stated that Camilion's decision "does not compromise the position of the Integration and Development Movement."

Nevertheless, political circles take it for granted that the future foreign minister will attempt a rapprochement between his party and the government, although a number of MID leaders think that Camilion will soon have to make the decision of having a confrontation with his party or with the government. In any event, the criticism has already started to creep in, even before the new administration begins: In the latest issue of the Development Movement newspaper, EL NACIONAL, there appeared a commentary which attempted to disqualify the future minister of agriculture and livestock, Jorge Aguado, whom the Development Movement had already tried to oust from the presidency of the Argentine Rural Confederations.

What will Camilion do as head of the Foreign Ministry? The first and most serious problem to be solved (obviously) is the Beagle issue, a matter in which the Military Junta and Viola will eventually have the last word on whatever strategy is planned. Those around Camilion do not deny that one of the "strong points" of his administration will be the restoration of bilateral relations with the United States.

The future head of San Martin Palace reportedly believes that, in view of the situation which that country is experiencing, this is the ideal time to try to reduce friction by means of a convincing diplomatic dialog.

But observers know that the next government has, in the deficit that exists in the external sector, a problem that could affect certain aspects of foreign relations. And Camilion (who is also an economist) realizes this. Hence, his supporters claim, at his behest the Foreign Ministry will (to a greater extent) interrelate the diplomatic and the economic areas, and will also follow carefully the changes that are taking place in Central and South America (El Salvador, Nicaragua, the Andean Pact). Camilion has been quoted as saying (at a meeting of friends) that "Argentina must show a presence in the Caribbean and Africa, in a systematic, methodical fashion."

Nothing has been disclosed as yet about his team of collaborators, but it is claimed in diplomatic circles that the number two man in the Foreign Ministry will be the present policy director (Enrique Ross), who was also a serious candidate for occupying the post of minister. Another name that is constantly mentioned is that of Hector Zubiza, the present ambassador to Peking, although it is not yet known for what office.

Norberto Couto, Defense

His colleagues from the Navy describe him as a moderate person "with wit," who is at times talkative. Rear Adm Norberto Manuel Couto went into retirement on 1 January of last year, and is a member of the class of 77 (Armando Lambruschini and Eduardo Massera are from the class of 73); and, as of 29 March, he will be defense minister. Up until that time, he will continue to hold his position as a director of the Bank of the City of Buenos Aires.

Couto, born in General Belgrano and, according to his friends, "a soccer player until the blows hurt him too much," began to gain experience in public administration in the Navy Staff, where he worked in close contact with the Secretariat of Maritime Interests. He also served as head of policy and strategy on the Staff and, in 1978, was undersecretary of the merchant marine.

According to the experts, Couto's mission heading the Ministry of Defense (even though there is a military government) is not an easy task, considering his functions as coordinator and liaison, and the gray areas that usually arise; although those who know him claim that he is a skillful spokesman in military matters.

In this area which, in any event, does not rank among the "heated" ones in the cabinet, there will reportedly be complete continuity of the action of Rear Adm David de la Riva.

Amilcar Argueiles, Public Health and Environment

Up until the time when the newspapers printed the biographies of all the ministers, Amilcar Argueiles (aged 62) was one of the "unknowns" in the next cabinet, despite the 200 scientific works that he has published. From what has been learned, on the sixth floor of the Planning Secretariat (Viola is located on the fourth floor), a team is working on the priorities that the Ministry of Public Health and Environment will deal with, wherein there is one crucial point: reform and deletion of the manual (total list of pharmaceuticals). Those sources stress the difficulty caused in the country's health policy by the existence of nearly 10,000 pharmaceuticals (7,500 officially recognized); considering the fact that in the United States, for example, that figure is only about 2,500. The supporters of Argueiles (a specialist in endocrinology and one of the most prestigious international experts in psychoneuropharmacology) claim that the minister's files contain very concrete plans to reactivate all the research centers and institutes (most especially Malbran), and to delineate an innovative child health policy. The same sources say that Argueiles' immediate plans also include the intensive use of the health train, so that the technical advances in medicine (especially in disease detection) may reach very remote areas of the nation's interior and border zones. With regard to the latter point, his collaborators say that work will be done to improve the hospital structure and environmental regulation. Another measure being studied is aimed at eliminating the shortage of 150,000 nurses that exists in the health system, in all areas and on all levels.

Carlos Alberto Lacoste, Social Action

The name of Vice Adm Carlos Alberto Lacoste began to "chime" for the Ministry of Social Action when the first lists of possible candidates started circulating in political and military circles. A native of Buenos Aires, born on 2 February 1929, Lacoste had a spearhead for the ministry seat: the world soccer championship in 1978. Those with good memories do not disregard the fact that competition was held after the government of the Armed Forces made the policy decision to hold it.

And Lacoste was one of those directly responsible for that policy decision's not becoming a setback for the government (and the country), by displaying an obvious organizational ability. He was later named vice president of the International Associated Soccer Federation (FIFA) but, according to his backers, he did not neglect his political time and space: he was always in contact with the highest echelons of the process, through his position as head of naval electronics.

Nevertheless, many have expressed surprise that he was appointed to head what was once the "Ministry of Happiness," or the "number one vote factory of Argentina," as it was called. Those familiar with him constantly state that Lacoste will impose on that ministry a system of open dialog with all the representative (the matter of being representative is stressed) sectors associated with his ministry, and that the priority action will be aimed at the areas of social security and housing.

In the halls of the former Ministry of Social Welfare one often hears it said that the present secretary of social security, Santiago de Estrada, will continue in his position: something rather unusual in the future administration. There is also

talk of reasons: On the highest levels of the presidency, Santiago de Estrada has gained a preferential status among the officials of his rank who have carried out their administration with the greatest efficiency. But there may also be other reasons. It is claimed that he would be the ideal person to take the helm of the ministry when Vice Adm Carlos Alberto Lacoste travels abroad to deal with affairs of the FIFA, an entity in which he will continue to serve as vice president.

2909
CSO: 0010

SCHONFELD VIEWS U.S. POLICY TOWARD EL SALVADOR

Buenos Aires LA PRENSA in Spanish 6 Mar 81 p 9

[Article by Manfred Schonfeld: "Aspects of the Storm Created by the U.S. Attitude With Regard to El Salvador"]

[Text] The phenomenon attracts attention, and not because it is unusual. It is a question of perfect coordination--we could almost say synchronization--between the rejection evidenced by certain political sectors, and above all certain nerve centers which control the greater part of public opinion in the Western world, at the very moment of the adoption by the United States of an energetic attitude--modest though it is, in the foreign policy sector, or the mere threat of its adoption.

Both within his own country and, as is natural, from Western Europe, all kinds of protests, in truly orchestrated fashion, have rained down upon President Reagan simply because he publicized the degree to which Soviet-Cuban intervention in El Salvador is obvious, and because he and his government then felt called upon to intervene by providing more intensive aid to the present junta in San Salvador.

This aid includes military defense equipment and a relatively small group of advisors, also military. It is understood that without these advisors, the equipment in question--for example helicopters and naval vessels for the control of the constant flow of Cuban weapons to El Salvador, would be useless, since this is equipment which requires expert operation for immediate use, and there is no time to provide anyone with training courses.

The Americans have said nothing about direct troop participation. There has been nothing more than unconfirmed rumor about a naval blockade or the interception of war materiel being transported by plane. One can imagine the chaos which would result if this were undertaken. However, the possibility that one of these measures--even the most drastic, to wit, direct military intervention, may become necessary, should not be overlooked. And the United States--government and opposition, authorities and citizenry--would have first of all to be mentally prepared for such an eventuality, in particular with regard to a means of acting independently and free of pressures of doubtful origin, either domestic or foreign.

Exploitation of a Trauma

It is indicative that the moment this shadow of a threat of U.S. intervention had appeared, there were immediately voices which almost automatically, and with an

insistence which suggests a kind of conditioned reflex, referred to "Vietnam" and the "vietnamization" of the civil war in El Salvador.

The purpose, we believe, is obvious: to return again and again to what has come to be called the Vietnam "trauma" for the United States, to prevent this wound from healing, to exacerbate it whenever there is a need to exert any kind of pressure, whatever the goal, on the Americans.

Without intending thereby to draw any historical political comparison (but one instead pertaining to the two similar reactions visible in purely psychological terms), one could examine this is the light of the Nazi trauma of today's Germans, at least those of the generation middle aged and older. According to objective observers, the mere mention of the Nazi past suffices not only to depress but also to corner them, to destroy their natural defenses and, in some cases even to obtain what is wanted of them.

The Vietnamese trauma to which we have referred has not penetrated so deeply into the individual personalities of the majority of U.S. citizens, but it does affect them, seen as a whole, as a nation, not only in terms of a guilt complex, but also in terms of the memory of their own losses of life in the war which they obviously never came to feel was their own or was indispensable for their own survival as a free country.

Thus this provides an ideal pressure tool when what is wanted is to prevent them from taking part in any military action outside their frontiers, even in the environs of their own territory, however much in such a case they come to feel that what is at stake here is the fate of the continent and in the end their own national destiny as well.

Errors and Failures

Where the Central American and Caribbean areas are concerned, there would be no need moreover to refer to the specter of Vietnam. It is an historically accepted fact that for many decades and even very recently, U.S. policy in Central America and in the Caribbean region has been an endless rosary of errors and failures.

This policy was born in an era when the great nation to the north lacked a genuine overview of the international sector, or was just barely beginning to develop one, following its experience as one of the contenders in World War II. In this connection, the United States did not believe in the need for this overview to include the small nations which were almost neighbors to the great power, dependent less on their governments than on the lobbies which exercised economic hegemony in the region and consistently obtained from Washington what suited their interests--in Cuba, Nicaragua, and the Dominican Republic, not to mention Panama. (It should be mentioned in passing that these were the same lobbies which, just as they supported Somoza until the last moment, have now been exerting pressure simultaneously for the reestablishment of relations with Castro's Cuba, that hungry and overpopulated consumer market to which so much could be exported.)

Poor Remedies

During the Carter administration it was believed that these errors, belonging to the past and to some extent being overcome, as in the case of the Dominican Republic, could be repaired, allowing the countries in question, in greater need than ever of aid, guidance, sponsorship and protection, to develop at will, free of any "intervention."

The worst kind of amends which could be made for past sins, whether of omission or commission, was to surrender those countries--Nicaragua and to some extent El Salvador too--to regimes which in the final analysis were soon to reveal their communist essence, although in some cases they began functioning under more or less obvious disguises.

In the case of Nicaragua, it is clear that the Marxists have been gaining control of new positions with every passing day. The concentration of the power of the junta in only three men is one step more toward dictatorship. Journalism is struggling to survive, through the few press organs maintaining their freedom of action and expression to the extent that they can.

Meanwhile, the opposition in the country is growing, and is taking shape with the emergence of armed organizations covering a wide ideological spectrum but, and this is obvious, capable of doing little against the regime which has the best armed nation on the continent, except for the United States--Cuba--as its source of supply.

The Swing of the Pendulum

If Ronald Reagan really decides to assume guiding responsibility in the Caribbean and Central American region, he must put an end to what is no longer anything but a laughable pendulum swing, at this point in historical circumstances, since the region has had the full range of experiences from the hegemony of the U.S. economic lobbies to Soviet penetration. There has been a swing from the extreme of maintaining the likes of Somoza or Trujillo in power for years, to the other extreme of tolerating a subsidiary agent of Moscow like Castro for many years, and allowing the so-called Sandinists to become the direct heirs of the Somoza regime.

The weight of the past cannot be eternal. It is to be hoped that Reagan is a new man, lacking both in complicity and past traumas. No one will help him to resolve the problem of El Salvador. He must act without feeling inhibited by sterile criticisms.

5157
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EDITORIAL STRESSES RISKS OF INTERNATIONALIZING SALVADORAN CRISIS

Buenos Aires LA PRENSA in Spanish 22 Feb 81, Sec 2 p 1

[Editorial: "The United States and El Salvador"]

[Text] The statement by Republican Senator Charles Percy to the effect that President Ronald Reagan will give the government junta in El Salvador "all the aid needed" to prevent a communist triumph in that country serves as clear testimony to the extremely serious level reached by the civil war which is devouring this Central American republic.

At the beginning of last week, the U.S. Government sent high-level emissaries to Mexico and Venezuela, and Under secretary of State Lawrence Eagleburger traveled to Europe to present documents providing proof of Soviet intervention in the struggle being waged in El Salvador to the allied nations and NATO. Thus far, however, the responses Eagleburger has obtained have not been what was hoped.

In expressing his view about these documents, the secretary of state, Gen Alexander Haig, said that the Soviet Union has involved itself "taking unprecedented risks," and he referred bluntly to "Cuban involvement," obviously representing Moscow. Vietnam, Ethiopia and Cuba are named in these documents as the sources of the supply of several dozen tons of weapons to the Salvadoran guerrillan forces.

The president of the national government junta in El Salvador, Jose Napoleon Duarte, is reported to be making an intensive study of the situation set forth with a view to appealing to the OAS for implementation of the Rio de Janeiro Mutual Defense Treaty.

The war in El Salvador has spread beyond its original geographic limits, as was feared from the beginning, given the evidence, clearer with every passing day, of the support being provided to the subversives by the Soviet Union and its satellites in Europe, Asia, Africa and Latin America.

The delicate step the White House has just taken leaves no doubt at all about the internationalization of the conflict, an aggravating factor which could lead to serious consequences.

5157
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PAPER COMMENTS ON INTERNATIONAL TERRORISM, SOVIET IMPLICATIONS

Buenos Aires LA PRENSA in Spanish 6 Mar 81 p 9

[Editorial: "Terrorism at a Peak"]

[Text] Never as now has Spanish terrorism weighed so heavily in the immediate fate of the young democracy on the peninsula. The frustrated coup d'etat of 23 February last laid bare the inextricable links existing between organized leftist violence and the militaristic and autocratic excesses of the right wing, both using as a pretext a game which may prove suicidal for the liberal system established on the death of Francisco Franco. The terrorists on both sides need little provocation to attack the internal peace in Spain, to threaten the very existence of the state and to subject the rest of the country to a generalized atmosphere of disturbance, uncertainty and fear. These two terrorist sectors blame each other mutually as the basis for their hegemonistic pretensions, and whether the one or the other is the final victor, the first and only victim would inevitably be democracy.

It is strange then that the Spanish government, not just now but since it came to office in 1976, has been unable to penetrate the warping chain of terrorism which has reaped a harvest of more than 100 murders per year, as unchallenged statistics now reveal. This situation precisely is one of the reasons invoked by the authors of the military uprising of 23 February last. And to encourage them further to maintain the same attitude, they now have the recent Spanish terrorist episodes, that for which the ETA [Basque Fatherland and Liberty Group] was responsible in particular, i.e., the kidnaping of three foreign consuls who were held hostage for eight days in a "propaganda operation," and the theft of a police vehicle, copied perhaps by those individuals in Barcelona who seized a famous football player, while their "counterparts," the rightwing terrorists, were massacring a worker in Andonain.

These tragic episodes serve to encourage those who want a return to a government of force, particularly when terrorism makes a mockery of any desire for peace or truce, imposing its machine gun fire and the destructive capacity of its explosives as the only language understood.

Every incident is a "response" or a "protest." The effort to establish a nuclear plant in Lemoniz was followed by the assassination of the chief engineer, young Jose Maria Ryan. The death in prison, under constraint, of Basque terrorist Jose Arregui was followed by the kidnaping of the consuls of Uruguay, Austria and El Salvador. And to these crimes and disturbances were added the uprising of 23 February, which was followed, by way of "response," by other incidents of violence and reprisal by the Basque rightwing extremists. Meanwhile the government of

Madrid can command the support of a million demonstrators, but it is unable to contain the wave of blood washing over the country and reminiscent, sometimes, although under circumstances which are not entirely similar, to the acts of violence which prolonged the Franco uprising of 1936, the prelude to a civil war which devoured the lives of a million Spaniards in three years.

While this was happening in Spain, an explosive charge virtually reduced the offices and technical facilities of Radio Free Europe in Munich to rubble. Radio Free Europe broadcasts programs 24 hours a day in 22 different languages to various countries in Eastern Europe, including the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania and Bulgaria. The Radio Free Europe programs include world news and commentary, covering the domestic affairs of these countries as well, which would otherwise never be known to the millions of persons who, obviously, listen in secrecy, in view of the "belt of silence" which surrounds them. Radio Free Europe also published the RESEARCH SITUATION REPORT, a weekly periodical devoted to the study of specific aspects of daily and government life in the Eastern European communist countries. It also publishes the bimonthly CURRENT ABSTRACTS, a careful selection of articles, commentaries and essays on the leading aspects of Soviet and European bolshevism. The research material published by Radio Free Europe is regularly sent to about 1,600 of the leading European and international writers and journalists.

No terrorist organization claimed credit for the Munich attack, but in view of the nature of the target, there is every reason to believe that the hand of the secret service of the Soviet policy can be seen, delivering a message with an unmistakable meaning, in this populous Bavarian city. Was this Moscow's response to the new trend in U.S. foreign policy, where weapons parity as well as the priority assigned by the White House to world terrorism are concerned?

5157
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UNIVERSITY TUITION FEES TO BE INSTITUTED IN MARCH

Buenos Aires LA PRENSA in Spanish 18 Feb 81 pp 1, 5

[Decree establishing university tuition; date of issuance not given]

[Text] The Executive Branch has decided to establish tuition fees for public universities as of this 1 March. The minimum and maximum fees of 30,000 and 70,000 pesos a month will apply only to the year in progress, and the Ministry of Culture and Education is empowered to update them annually. The tuition fees will go into the University Fund, and 30 percent of them will be used to guarantee "equality of opportunity." The monthly fees will be set by each university within the established limits, and the schools will have the authority to set down grounds for tuition exemptions.

The grounds for the measure contain the same arguments advanced publicly by the minister of education and note that "by charging tuition, the state is not attempting to shirk its corresponding obligations."

The Decree

The text of the decree reads:

Article 1--Tuition fees are hereby established for educational services at national universities.

Article 2--The fees shall take effect as of 1 March 1981, and each university shall be responsible for organizing the procedures required to implement them in accordance with the general regulations stipulated in this decree.

Article 3--Each university shall set the amount of its fees and the terms of payment, bearing in mind the characteristics of the major fields of study to which they apply, as well as the factors stemming from the socioeconomic realities of the region in which it and its sphere of influence are located.

Article 4--Universities can establish grounds for tuition exemption in duly sanctioned resolutions or regulations, especially in instances of academic merit, when the student is a member of a large family or when the student lacks the resources.

Article 5--The tuition money received shall go into each university's University Fund and shall be allocated exclusively for services to students in national universities, in the following manner:

a) Thirty percent shall be used to fulfill the precondition of guaranteeing the principle of equal opportunity; within 30 days after their receipt the fees shall be transferred to the system of subsidies, scholarships and loans, which shall be administered by the National Institute of Equal Opportunity Educational Loans.

b) The remaining 70 percent shall be allocated by each university exclusively in accordance with the following order of priorities:

--Subsidies, scholarships and loans;
--Teaching materials and library enhancement;
--Financing cultural, recreational and sports outreach activities;
--Any other activities entailing specific benefits to students.

Article 6--The universities shall establish the necessary arrangements to guarantee that the funds obtained and their allocation are periodically and suitably accounted for to the public. The National Institute of Equal Opportunity Educational Loans shall do likewise.

Article 7--Minimum and maximum monthly student tuition fees of 30,000 and 70,000 pesos, respectively, to be paid over a period of 10 months, are hereby established for the 1981 academic year.

Article 8--The Ministry of Culture and Education is hereby empowered to annually update the amounts given in the foregoing article, in accordance with the changes in the general consumer price index drawn up by the National Statistics and Census Institute, to which end it shall bear in mind the changes during the calendar year immediately preceding the one in which the period subject to tuition begins.

Article 9--Under no circumstances shall the monies collected under this tuition system affect the budget allocations for the maintenance and expansion of the state university system, in view of the specific applications listed in Article 5.

Article 10--The tasks to be undertaken by the universities as a result of the tuition system provided for in this decree shall not give rise to increases in the personnel and nonpersonnel goods and services headings of their respective budgets.

Article 11 is procedural.

Preamble

The preamble states that the law is being issued in light of Article 38 of Law No 22,207, of the need to regulate Article 39 of the same law and

considering: That at its second meeting of 1980, held in San Miguel de Tucuman, the Council of National University Rectors recommended state university tuition fees be collected as of the 1981 academic year.

The preamble also argues that: The system of educational subsidies, loans and scholarships must be strengthened and furthered because of the social and pedagogical benefits it entails.

The high social and economic return on investments in university education loans is a proven fact.

"As stated in Law 22,207, equal opportunity means that whoever has the proven ability to undertake university studies must be able to do so, that no one should be precluded from or hampered in so doing because of insufficient economic resources and that universities should try to remedy such situations, which the state is endeavoring to eliminate or alleviate, through a system of scholarships, subsidies and loans, which shall be administered mainly by the National Institute of Equal Opportunity Educational Loans.

"In order to meet the prerequisite of respecting the principle of equal opportunity, as established in Article 38 of Law No 22,207, universities must allocate part of the tuition receipts in their University Funds (Article 66, Paragraph g of Law 22,207) for scholarships, loans and subsidies.

"In order to encourage solidarity among the students at different universities and to meet general university needs without social, geographic or economic distinctions, a percentage of each university's tuition receipts ought to be allocated to the scholarship, loan and subsidy program administered by the National Institute of Equal Opportunity Educational Loans.

"In this manner, students of greater economic means shall enable others of lesser means to complete their studies.

"Solidarity among students helps to develop their personalities harmoniously and in itself is an asset that ought to be fostered in the university community.

"It is good training for students to pay for even a small portion of the total cost of their education, and moreover this tends to diminish the average length of their studies.

"By charging tuition, the state is not attempting to shirk its corresponding obligations to provide and expand university education in an orderly fashion; rather, it is endeavoring to perfect and modernize the system.

"The proceeds from tuition fees shall be allocated exclusively to provide better services for students."

UNIVERSITY BUDGET REDUCED BY 25 PERCENT

Buenos Aires LA PRENSA in Spanish 26 Feb 81 p 5

[Text] The budget allocations for state universities this year show an average drop of 25 percent from the previous fiscal year, which has placed some of them in very compromising situations, a reliable source asserted.

The new budget will aggravate the indebtedness of some universities to state-run enterprises such as Water and Power, Sanitation Works of the Nation, Government Oil Deposits, Argentine Airlines, State Gas, National Telecommunications Company and the National Mail and Telegraph Enterprise, since they are still carrying debts from fiscal years 1978, 1979 and 1980.

The budget cut can be seen in the general expenditures of the Ministry of Education for this year, which in 1981 pesos are up 43.7 percent from 1980, whereas last year's inflation rate hit 87.6 percent.

According to the same source, delegates from the Council of National University Rectors (CRUN) outlined the difficult situation facing universities to President Videla last week.

They also noted that "it will be very difficult for the universities to return to normal economic operations because the budget cuts began on a yearly basis, and with reference to the previous fiscal year, in 1977."

The university rectors see the prevailing situation as the responsibility of the government's economic sphere, inasmuch as "in late 1979 the Ministry of Culture and Education asked all universities to report the total amount of their debts and then called on the economic sphere to defray the liabilities of the 26 state-run universities," the source noted.

The source went on to say that "this and subsequent efforts by the Education Ministry were unsuccessful," and "the rectors began paying separate visits to the offices of the Treasury Secretariat, without result."

Moreover, the budget increases that until 2 years ago the rectors began requesting in October were called for as of May 1980, as the media throughout the country reported at the time.

By mid-1980, for example, several rectors disclosed in their provinces that they were operating in the red and that the situation was becoming untenable.

Since then and to date "nothing has been done to reverse the situation," the source noted in recalling the situation that state universities were in in 1980.

8743
CSO: 3010

FUNDAMENTAL CHANGES PREDICTED UNDER VIOLA

Buenos Aires A FONDO in Spanish Feb 81 pp 6-7

[Article by editor Mariano Grondona: "From Videla to Viola: How Much of a Difference?"]

[Text] Ever since the day that Plato envisioned his static "republic," ever since Aristotle wrote down his theory of revolutions (aimed at preventing them) in "Politics," and ever since the day that Polybius described political cycles and came out for a mixed form of government (to interrupt these cycles), the West's political ideal has been stability. What is stability, however? It is not the "total" continuity of what already exists. That is immobility and, in the long run, breakdown and catastrophe. Nor, to be sure, is it a torrent of ceaseless, unlimited changes. Something remains and something changes in the calm sea of stability. What remains, shall we say, is the State: the institutions, the structures, the historic objectives of a nation. What changes under and within it is the government. Etymologically, "to govern" means "to pilot," to weather storms by timely zigzagging.

Stability is like dancing: timely movements and changes in accordance with a rhythm that, because it does not change, identifies the work with itself, equates the work with itself and conveys a notion of unity to the onlooker.

Stable countries have succeeded in distinguishing unmistakably between the State (that which "is," that which remains above and beyond change) and the government (the careful and changeable helmsman). The American State has not changed from 1789, when Washington became its first president, to the present. It certainly did not change on 20 January, when Ronald Reagan took the oath of office as the 40th president in an unbroken line. The U.S. Government, however, is different as of 20 January. Decidedly different. The charm of republics lies precisely in periodically affirming (every 4, 5, 6 or 7 years) the identity of the State and the change of government. A dance. Well-founded republics move with a ballet-like rhythm.

At a time when it is the object of so much criticism, we must now admit that the National Reorganization Process had a spark of genius on the day that it envisioned, with timetables and presidential elections, a republic...a military republic. A dance. What kind of dance will we have on 29 March, when Roberto Viola plays Ronald Reagan's role?

There was an advance indication in this regard on the second of this month. The devaluation. For 4 months following his [illegible], Lieutenant General Viola had maintained practically total silence [illegible] the political cost was still fully in Lieutenant General [illegible] hands, [illegible] beginning the transition.

In what way? I am not interested here in analyzing the economic scope of what was perhaps too timid a devaluation to reap financial benefits from its high political cost. What I am interested in is seeing how the Videla-Viola duo operates during the changeover, with a view towards this fundamental question: the Viola-Videla duo as of 29 March.

In a way, the country has not been governed from 1976 to 1981 by a man but rather by the relationship between two men. If we were in a question-and-answer contest and had to say who governed Argentina from 1976 to 1981, we would reply that it was essentially governed by a dialog: the Videla-Viola dialog. The power game was centered in their exchanges. Crucial issues were pondered during their dialog. But the dialog will invert in March. It will become Viola-Videla. Doesn't the order of the factors alter the result?

In a way, Videla and Viola divided up the job from 1976 to 1981. Their ongoing, crucial dialog brought to light two distinct functional outlooks. Videla was in charge of administration, the cabinet; Viola, the army. By the close of the process, Videla had entered into a second dialog, a second relationship: Videla-Martinez de Hoz (with backing from another relationship, within the cabinet: Harguindeguy-Martinez de Hoz), which will no doubt transcend their time in power. This cabinet, this economic team contains the makings of a "party." For his part, Viola went about setting the stage, in unity, for the military successions. Without an uproar, with style, with meticulous care.

The outcome of the two political endeavors was, in the end, dissimilar. Martinez de Hoz is bidding farewell amid an extraordinary, perhaps unprecedented political downslide. In this issue, as in the previous one, A FONDO has moved to head off those who would fish in these troubled waters but, even so, it cannot deny the evidence of his downslide as such. On the other side, the unity of the military shines amid the political desert.

What is to be done then? "Theory," Leonardo da Vinci said, is the captain; practice, the soldiers." Everything will induce General Viola to continue, in government, the power relationship that he has maintained over the past 5 years. If the Videla-Viola dialog is to be followed by the Viola-Videla dialog, why should the order of the factors alter the result? This question, which reflects a desire to maintain personal attachments and remain faithful, the desire to be consistent with what is noble in the human person, finds only one obstacle in its path: the obstacle of political theory. A cruel theory. A hateful theory. I detest it even as I mention it. It tells me, imperturbably, that March spells the change.

It tells me that because, first, irreversibility is an essential condition of time. Viola-Videla will not be the same as Videla-Viola because another person or persons will be enacting the role in the army that Viola played, because time moves in only one direction. Videla has been commander and president. He is

now entitled to public respect and consideration: an enormous asset. Viola is on top. But life goes on, and there will be other men in the pyramid for other dialogs and other power arrangements, even in the finest of harmonies. Inevitably.

I am also told this by the "republican" nature of the military system that, with a spark of genius, invented the 1976 Process. A republic is, by definition, changing governments within the continuity of the state. If there were no change, we would lapse into the kind of immobility that, as in 1969, presages the unrest that comes with ill-timed projects. No. There will be change because that was how the military republic was designed. Reagan "had to" succeed Carter, and someone "different" will succeed Reagan. Basically, a republic is the subtlest of concessions to human nature: the illusion that every 3 or 4 years everything seems to change even though nothing ultimately changes. This "ultimately" is the State. All of the "seems to change" is the government. The rite must be performed, and expectations must find an outlet. In March, the change and its signs will be anticipated and welcomed. Inevitably.

This is particularly necessary this time, in view of how politically isolated the outgoing team has become in its final months. To change will mean to meet again, even if to salvage what must not change: the essential goal formulated in March 1976, movement towards the establishment of a new State, in other words, so that we can eventually have a State again. It is because John Paul II is almost not at all like Paul VI, nor Paul VI like John XXIII, nor John XXIII like Pius XII, that the Church is one and the same under all of them.

8743
CSO: 3010

QUESTIONS RAISED OVER U.S. TRADE PROTECTIONISM

FY240217 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 81 p 3

[From "Notes and Information" page: "U.S. Protectionism"]

[Text] In the next few days we will be able to tell whether the U.S. President is, economically speaking, a liberal who really believes in competition. Disregarding the budget cuts he made in assistance to developing countries, the test will be whether he shows himself to be sensitive to the serious problems which beset the Third World or whether he bases his decisions on the single criterion of the absolute adherence of "friendly" countries to the international policy he is implementing...[ellipsis as published]

Over the weekend Brazil was surprised by the decision of the special trade representative recommending that 28 Brazilian export products be taken off the General System of Preferences [GSP]. The GSP permits developing countries to export manufactured products to rich countries without any tariff. The system had been adopted in response to the demand of Third World countries in order to consolidate their economies. The GSP has been accepted for many years--although with severe restrictions--by the European Economic Community. Only years later did the United States agree to offer such privilege to the developing countries, but under yet stricter limitations.

Under U.S. laws there are three reasons to drop a product imported from a developing country from the GSP. The first reason concerns the total value of the product imported by the United States, which must not surpass $60 million, apparently with no readjustment for world inflation. Thus, if more than $60 million worth of a product was imported during the past year into the United States, it can be excluded from GSP benefits.

The same thing applies to any product which is imported from a single developing country into the United States which constitutes more than 50 percent of total imports of that particular product. This is a measure which to some extent permits the equitable distribution of unilaterally granted benefit among all developing countries.

Under these clearly defined rules the developing countries are in the position to plan their long-term exports to the United States with full knowledge that the violation of such rules may cost them to lose the benefits of the GSP. Such

restrictions are deplorable but at least they are clearly stated. This is not the case with the third reason for a product to be dropped from the GSP which is by the simple expedient of its being classified as "graduation" [given in English] by the special trade representative.

That is a highly subjective classification which permits exclusion from GSP privileges countries or products which are considered to be in competitive conditions. This was the rule which was for the first time applied to Brazil to exclude 26 Brazilian products exported to the United States.

Already for many years Brazil has been opposing the tendency of some countries to take our country out of the group of developing countries by alleging that it already has a highly competitive industry (not always true) and a high per capita income. The truth is quite different, because Brazil only has developed "pockets" amid large areas of underdevelopment and poverty.

Apart from the congressional decisions (which are always protectionist for obviously political reasons), the president of the United States has the power to recommend that some products are taken off the protectionist list. He can do so after verifying that the import of those products does not badly affect the U.S. industry, or because their import is contributing to keeping down prices in the domestic market, or even by invoking political reasons, as was done for Israel.

We hope that Brazil will find a solution to this delicate problem. Of 1,200 products which today enter the U.S. market under GSP benefits, 13 of them make up 74 percent of our exports of manufactured goods to that market. These 13 products are those affected by the third reason for deletion from the GSP list. It must be noted that 20 percent of our current exports come under the GSP. If the United States should decide that Brazil is no longer a developing country, we can find ourselves in a very serious situation. Our diplomacy should find a solution to a problem which can muddle our relations with Washington--even by using the lobbies that are so much a part of the U.S. political arena.

CSO: 3001

BRIEFS

PRIEST ARRESTED NEAR BELEM--Belem, Brazil, 23 Mar (AFP)--It was reported here today that priest Ranulfo Peloso da Silva was arrested on 22 March by policemen of Santarem, a city located 500 km from Belem. Msgr Moacir Grechi, a member of the Brazilian Bishops Conference, said that Peloso was arrested while trying to mediate in favor of Santarem peasants who are under arrest for unjust reasons. Msgr Grechi said that priest Peloso is a member of the Santarem Peasants Association, and at present he is defending peasants from a district of Santarem--a city located in Para State--whose lands are coveted by a rich rancher in the region. [Text] [PY241740 Paris AFP in Spanish 0421 GMT 24 Mar 81]

NEW POLITICAL PARTY--The Republican Democratic Party [Partido Democratico Republicano--PDR] was officially launched yesterday in Sao Paulo by its national president, former Deputy Sandra Cavalcanti. The PDR leaders in Sao Paulo State are: Carlos Marcondes, president; and Carlos Teixeira Leite, Sebastiao Jorge da Silva and Maria do Carmo Abreu Sodre, vice presidents; and Miguel Paulino da Silva, secretary general. [PY251642 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 81 p 4 PY]

FUNDS FOR NORTHEAST--The government has earmarked a total of 101.9 billion cruzeiros--which is equivalent to the annual budgets of Pernambuco and Ceara states and to half of that of Rio de Janeiro State--for the northeastern region, as follows: the Economic Development Council will be allocated 36.3 billion cruzeiros for special projects and 32 billion cruzeiros for the Northeastern Development Fund. The National Monetary Council earmarked 4 billion cruzeiros for farming, food and labor. The remaining balance will be used for housing, reforestation and hydroelectric resources. [PY251642 Rio de Janeiro JORNAL DO BRASIL in Portuguese 19 Mar 81 p 1 PY]

CONSUMERS PRICE INDEX--The Brazilian Institute of Geography and Statistics has reported that the national consumers price index for the period September 1980-February 1981 was 47.1 percent. This rate is applicable to wage adjustments for April. [PY251642 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Mar 81 p 13 PY]

GASOLINE EXPORTS--Brasilia--PETROBRAS exported 344,541 cubic meters of gasoline--including both special and regular--for a total of $98,936,010 in 1980. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 Mar 81 p 19 PY]

FUEL CONSUMPTION DROPS--Rio de Janeiro--The decrease in fuel consumption, which the government expected to be 2 percent this year, has already reached 6 percent during the first 2 months, and for this reason, Mines and Energy Minister Cesar Cals intends to reduce petroleum imports from 750,000 barrels daily to 700,000 barrels daily during the second half of this year. The minister made this revelation yesterday while receiving criticisms that PETROBRAS' diversified investments since 1974 have contributed to reducing the national petroleum production and reserves, a situation which has been reversed with his decision to increase investments in petroleum exploration and production sectors.
[Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Mar 81 p 27 PY]

PETROLEUM IMPORTS--Rio de Janeiro, 18 Mar (AFP)--The Bank of Brazil's foreign trade department has reported that the Brazilian imports of petroleum in 1980 amounted to $9,370,000,000, which is 42 percent higher than that of 1979.
[Paris AFP in Spanish 1501 GMT 18 Mar 81 PY]

[illegible]

RELATIONS WITH CANADA TO BE EXPANDED

Santiago LA NACION in Spanish 6 Mar 81 p 7a

[Text] Edward Lumley, Canadian minister of state for trade, has stated that the purpose of his visit to Chile is to back the efforts of businessmen in his country to expand commercial trade between the two nations even further.

Lumley arrived in Santiago at noon yesterday at the head of a delegation of Canadian businessmen from the public and private sector.

At 1700 hours, he met with Minister of Foreign Relations Rene Rojas Galdames as part of the program of activities planned for his stay in our capital.

At the close of the meeting, the minister of trade said that the figures on commercial trade "speak for themselves" and that during his visit to Chile, he will support the efforts of businessmen from his country to increase economic relations.

For his part, Minister of Foreign Relations Rene Rojas emphasized the excellent relations of friendship between Chile and Canada, relations he said will be further strengthened by the delegation's visit. He also gave a warm welcome to Minister Lumley on behalf of the government and the Ministry of Foreign Relations.

Attending the meeting held in the Red Room of the ministry were the deputy minister of foreign relations, Gen Enrique Valdes Puga, the general director of international economic relations, Andres Concha, and the representative of PRO-Chile [Institute for Export Promotion], Jorge Benitez.

The Canadian minister of trade was accompanied by the ambassador of his country to Chile, Glen Buick, and the director of the Latin American Division of the Canadian Foreign Ministry, Martin Collacot.

Schedule

Minister Lumley's schedule of activities in our country includes a working breakfast today with representatives of the private sector. A visit with Minister of Finance Sergio de Castro is scheduled for 1000 hours and at 1300 hours, the minister will host a luncheon to be attended by the director of ODEPLAN [National Planning Office] and the president of the Central Bank.

At 1600 hours, a meeting will be held with the Chile-Canada Bilateral Business Committee, followed by a reception at the embassy.

Minister Lumley and the Canadian delegation will leave our country at 0900 hours tomorrow morning.

Bilateral Relations

Chilean-Canadian bilateral relations have mainly involved the private sector of both countries, with the support of the respective embassies. In addition, Chile has close contact with the Canadian Association for Latin America (CALA) for the purpose of establishing permanent contact between businessmen.

In December, the Export Development Corporation (EDC) signed three lines of credit with our country.

Concerning the growth in exports to Canada, there has been a considerable increase in recent years. In 1978, the figure rose 172 percent, in 1979, 51 percent, and last year, the total rose 143 percent.

The growth in imports from Canada has been noteworthy, but not as spectacular as the increase in our exports to that country. It should be pointed out that from 1977 to 1980, imports rose 153 percent, while exports grew 899 percent.

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CSO: 3010

NATIONAL ECONOMIC PERFORMANCE ANALYZED

Santiago LA NACION in Spanish 28 Feb 81 p 16A

[Text] "With respect to economic growth, 1980-1981 has been a good 2-year period for the Chilean economy. Although the rate of expansion for each year is lower than that of the 3 preceding years, the figure, 6.5 percent, is quite high compared with the country's historical trend and is in basic contrast with the recession being experienced by the world economy." This summary of the country's economic situation is made by the Department of Studies of the BHC Enterprise Group in an analysis made by economist Klaus Schmidt-Hebbel in the seventh 6-month short-range report completed by the organization.

The situational analysis containing projections for the national economy and their effect on the world economy is found in a 150-page work which examines topics such as "The World Economy," "Rate of Exchange and Inflation," "Growth," "Middleman Financial Operations," "Interest Rates and Money," "Balance of Payments, Foreign Trade and International Position," "Employment and Social Security" and "The Public Sector."

Inflation and Growth

Based on the behavior of the world economy, the study states that one can expect "less bullish pressure from the outside" and projects "a drop in the internal rate of inflation to 20 percent of the wholesale price index and 22 percent of the consumer price index for this year."

The document states that with respect to the growth of production there are differences between the different sectors. "Construction, commerce and the financial sector are experiencing spectacular expansion, in contrast with the modest development of agriculture and mining throughout the past 6 years and with a drop in industrial growth beginning in 1980." It adds that "in medium-range terms, one can expect a slight surge in the rate of growth as a result of the recovery in overall investments since 1980."

Financial Area

With respect to the money market, the document in question recognizes that "the beneficial greater degree of financial openness granted to the economic system at the beginning of last year resulted in a duplication of the entry of foreign

credits in 1980, which caused a drop in interest rates, expansion of foreign savings actually achieved through the higher deficit in the current account, and consequently, the aforementioned increase in national investments." All of these elements led to a reduction in real interest rates "from investments for 30 to 89 days at 12 percent in 1980 to an expected 8.5 percent in 1981, while readjustable credit rates for 90 to 365 days fell from 15.4 percent in 1980 to 11.5 percent in 1981."

Foreign Sector

According to the report, the balance of payments "for 1980 shows a new and substantial surplus as a result of the restrictive credit policy followed by monetary authorities over the past 5 years." The report adds that in keeping with projections for the balance this year, the Central Bank will accumulate net reserves of $700 million.

Because of the low price of copper, there is a deficit in the regular account which the report labels as "beneficial given these circumstances," that from $550 million in 1977 -- 4.1 percent of the gross national product -- it will expand to $2.4 billion in 1981, representing 9.8 percent of the GNP.

Concerning the foreign debt, the BNC document states that "we believe that the promising financial situation of the public sector, the commercial and financial opening, and basically, the fact that the current debt is directly or indirectly channeled toward anticipated high-profitability projects, constitute the best backing for future payment of the debt, independently of its level or service over a specific period of time.

Social Welfare

In the chapter analyzing the social welfare reform initiated in February 1979, the report concludes that "in short-range terms, that is, in 1981, the effects of this reform will not be felt," but it goes on to add that in long-range terms, it will imply "an uncertain effect on national savings, which may increase somewhat; better financing of the current system of distribution and its transition to a system of capitalization; considerable improvement in the efficiency of labor markets, which will be expressed in lower hiring costs, higher net pay and a drop in unemployment of about 2 percent in the long run; and an uncertain effect on the distribution of income."

Employment

Finally, concerning employment, the report states that "nominal employment expanded during 1980 at a high rate. This is largely due to the elimination of obstacles to entry into the Minimum Employment Program, which expanded notably during the year. This in turn explains most of the drop in the national unemployment rate, which was about 11.8 percent. Assuming a constant for the Minimum Employment Program, which may well not exist, total employment would grow in 1981 exclusively because of the greater 'normal' demand for labor, estimated to be 3.8 percent. The unemployment rate would then be 10.2 percent, anticipating a repetition of the normal growth of the labor force observed in 1980."

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CONTRACTS FOR MINERAL EXPLORATION NEGOTIATED

Santiago EL MERCURIO in Spanish 26 Feb 81 p C-5

[Text] COPEC, the Chilean Oil Company, is now negotiating operating contracts for mining exploration in the Putaendo area, EL MERCURIO was told by Victor Renner, a representative of the company.

Renner said that information published to date about the possible discovery of a copper deposit in the zone "is nearly 100-percent erroneous."

He explained that the company, which is involved in both petroleum and forestry, is interested in mining exploration in the country, for which purpose it is now setting up an enterprise.

He said that the firm is interested in obtaining more information about the copper ore from Andacollo, which will be up for bidding in April, and about the El Abra deposit, where some $6.8 million have been invested in initial studies, including measurements of the deposit.

Renner also said that in 1 year, COPEC has studied between 80 and 90 groups of mining holdings without yet obtaining anything definite.

Putaendo

When asked about exploration at Putaendo, the executive said that "it is a project of no economic importance." He added that annually, hundreds of mining holdings are studied in the country and that practically 90 percent of these "lead to nothing."

He explained that at the present time, COPEC is negotiating exploration contracts with two mine owners at Putaendo, including Victor Rena, Edmundo Mont and Eduardo Covarrubias.

He said that COPEC is interested in the area because "there is a possibility that it is of economic interest." He emphasized that Putaendo is only one of the many areas of exploration in which the company is involved.

Renner observed that with the information on a possible copper deposit in the zone, "false hopes are only created and the community is deceived."

When asked about the number of properties that will be explored and their legal situation, he said that at the pr sent time, there are 3,000 mining holdings, of which 300 are being legitimized, while the remaining 2,700 will become permanently owned.

Energy

Renner also said that the company is interested in developing other energy projects. He mentioned the recent purchase of the Southern Electric Company, SAESA, which distributes electric power to the southern area, and the FRONTEL [expansion unknown] firm, which was also successfully bid for by COPEC.

Both power distributors were purchased for $50 million, Renner said. He added that it is hoped that by the middle of this year, the final results of a study for the generation of electric power in the area will be available.

Engineering studies mention the feasibility of making a tunnel to carry water from the top of the range to El Melocoton, in Cajon del Maipo, where the powerplant would be built.

Geology Institute

The Institute of Geology has confirmed that "in Hoja de Los Andes, where Putaendo is found, there are many areas of hydrothermic alterations which can be seen because of the color of the mountain ranges (reddish, brown, yellow), where the existence of deposits is always presumed."

It was reported that the Institute has an unpublished geological report that can be consulted by anyone and that is in fact consulted daily by between six and eight persons, including foreign companies.

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BRIEFS

NATIONAL BUDGET DIRECTOR--(Juan Carlos Mendez) has resigned from his post as national budget director, effective as of 7 April. (Martin Ignacio Contabal) has been appointed his successor by presidential decree. [PY262225 Santiago Chile Domestic Service in Spanish 0000 GMT 26 Mar 81 PY]

NEW GOVERNMENT OFFICIAL--Col Hernan Jentzen Melo has been appointed by President Augusto Pinochet as the new administrative director of the honorable government junta. [PY262225 Santiago Chile Diplomatic Information Service in Spanish 0100 GMT 26 Mar 81 PY]

ZAIRIAN DEPUTY MINISTER ARRIVES--Lengema Dulia Kamakanga Yubassa, deputy commissioner for foreign affairs and international cooperation, yesterday arrived in Santiago de Chile for a visit of rapprochement between Zaire and Chile. He was welcomed at the Merino Benitez Airport by Acting Foreign Ministry Under Secretary Javier Illanes and by Chilean charge d'affaires in Kinshasa Juan Martabit. Kamakanga Yubassa said that the two countries have similar characteristics, such as both being very important copper exporters. He also said that during his 4-day visit to Santiago, Chile he will meet with officials of the economic area to study possibilities of strengthening exchanges in cultural and trade sectors. [PY191414 Santiago Chile Domestic Service in Spanish 1100 GMT 19 Mar 81 PY]

CSO: 3010

WORST DEFICIT IN HISTORY PREDICTED FOR 1981

Bogota EL TIEMPO in Spanish 16 Feb 81 pp 1-A, 9-A

[Article by EL TIEMPO staff writer Fernando Barrero]

[Text] Colombia's trade deficit this year will be the worst in its history, an estimated $1.9 billion by the end of 1981.

According to an EL TIEMPO survey, however, there will be no problems in the short run, thanks to the country's high level of international reserves, which will, nevertheless, begin shrinking. The deficit will also lighten the pressure on the money in circulation, which will pave the way for additional credit for the private sector and public investment.

The survey found that there could be fiscal problems, stemming from smaller tax receipts.

The $1.9 billion deficit will be the result of the drop in coffee earnings, the higher cost of imported fuels, the faster pace of imports in general and the sluggishness of the so-called "nontraditional" exports.

Our trade deficit (imports minus exports) totaled about $300, $350 and $200 million in 1978, 1979 and 1980, respectively.

Former Minister Rodrigo Botero Montoya said that unless the doors to foreign financing, either public or private, are opened or unless there i another coffee frost in Brazil, "there is no reason for a surplus in 1981."

For his part, another former minister, Rodrigo Lloreda Martinez, said that lower world coffee prices alone could mean a decrease of some $800 million in earnings from the $2.31 billion in 1980.

ANIF [National Association of Financial Institutions] Urges Aggressive Export Policy

The vice president of research of ANIF, Florangela Gomez de Arango, indicated that an aggressive and ongoing export promotion policy is needed, because if exports do not rebound, "we will be faced with the exchange operations difficulties entailed in dependence on coffee exports."

In this regard, the minister of economic development, Andres Restrepo Londono, said that the "operational plan for exports" would be made public tomorrow. EL TIEMPO has learned in advance that its goal for 1981 is between $1.6 and $1.8 billion.

The ANIF vice president said that according to association estimates, based on recent developments, market outlooks and assessments by exporters and pertinent agencies and associations, the actual trade deficit would be about $1.9 billion, which would mean an international payments deficit of around $1 billion.

The trade balance includes only exports and imports. The international payments balance encompasses all receipts and expenditures, including personal services, transportation charges, per diem allowances, interest on reserves placement, etc.

Mrs Arango explained that much of the deficit will be due to the decline in coffee earnings as a result of the drop in prices and the quota set for Colombia in the recent International Coffee Agreement.

Whereas income from coffee totaled slightly more than $2 billion ih 1980, it will be less than $1.7 billion in 1981, in accordance with near-term forecasts of price patterns.

Thus, ANIF estimates that income from coffee exports will be down about $400 million, while former Minister Lloreda Martinez puts the drop at some $800 million.

The vice president added that fuel imports would also play a "preponderant role" in our trade balance, because although a sizable relative increase is not in the offing (20 percent), fuel imports will hit an estimated $850 million in 1981.

"On the other hand, other imports will increase at a faster pace than secondary exports, even if we assume that the latter will be partially buoyed by the incentives policy that the government has announced, though not expressly," Mrs Arango said.

She went on to say that the services and transfers account "will surely show a surplus quite similar to last year's, around $550 million, thus highlighting the deficit in trade.

She stated that the interest on the investment of reserves would continue to mount, nevertheless, though perhaps at a slower pace than in 1980, given the expected drop in foreign interest rates. In addition, expenditures for servicing public and private external debts will also rise to far above $100 million.

"The net result of the trade and services balances and gold purchases will be a more or less balanced current account. To be precise, we forecast a surplus of close to $70 million, which contrasts with the almost $750 million surplus recorded in 1980," the ANIF vice president said.

As far as reserves are concerned, she pointed out that capital flows would ultimately determine how much they increase. Government borrowing of between

$600 and $800 million is expected, which combined with current account, private borrowing and amortization forecasts, could result in a $730 to $900 million expansion of reserves. Thus, the country could end 1981 with more than $6 billion in international reserves.

ANIF said that under such circumstances the prospects for the production sector, which has become seriously stagnant, partly because of the credit tightening in recent years, "do not look too favorable. On the contrary, the boost that production requires at present could be sacrificed for the sake of public investment, which would have ill-fated consequences both here and abroad."

The association thus recommended providing incentives for production, maintaining exchange controls, a flexible handling of the exchange rate, a continued loosening of import restrictions without endangering domestic industry, reducing tariff barriers and adopting coffee trade arrangements to make it independent of world market developments.

In conclusion, Mrs Arango said that the trade deficit does not pose an imminent problem because of our sizable reserves, but it does mark the beginning of their depletion.

Former Minister Botero Montoya said that the deficit is a reality that in most conspicuous in the INCOMEX [Colombian Foreign Trade Institute] overseas trade figures, because they include fuel imports whereas the balance of payments reflects the costs of these imports only to the extent that the remittances, which are heavily backlogged, are made.

Botero agreed with Mrs Arango that the pressure of the economy's external sector on money in circulation is going to drop considerably in 1981 with respect to previous years.

Without committing himself to precise forecasts, the former minister noted, "there might be a major deficit in the current account of the balance of payments [imports minus exports] if overseas remittances for fuel imports are made in a more timely fashion."

Botero said that external sector developments suggest that the extent of this year's devaluation will be similar to 1980's, in other words, about 15 percent since the dollar began the year at 50.92, a 15 percent drop would put it at 46.5's by year end.

Whereas ANIF estimates fuel outlays at $800 million, former Minister Llorente Martinez said that they would top $1 billion.

Llorente [illegible] said that the foreign trade boom was handled poorly over the past 5 years, as proven by the fact that from 1967 to 1974 nontraditional exports grew at an average annual pace of 30 percent, whereas from that point to 1980 the rate of increase was barely 7 percent.

Addressing the issue of taxes, he pointed out that the fall-off in coffee prices and the potential increased pressure on our balance of payments in the

immediate future could trigger a drop in the government's tax receipts. The rapid growth of revenue from the coffee export tax and the so-called special exchange account, which last year brought in net revenue of 41 billion pesos, one-fourth of total government revenue, could be seriously stalled.

Former Finance Minister Jaime Garcia Parra has also discussed the issue of a potential drop in tax receipts in EL TIEMPO. He foresaw a new tax reform.

Llorente added that in the medium term the anticipated drops in exports would prompt reductions in the overall value of imports, and "there could be an adverse indirect impact on revenues from customs duties and sales taxes," he noted.

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OCEANOGRAPHIC RESEARCH VESSELS PURCHASED

Bogota EL ESPECTADOR in Spanish 5 Feb 81 p 4-D

[Article by Luis de Castro]

[Text] Between March and May of this year the Federal Government will take delivery of two modern oceanographic research vessels (both for fishing and geophysical studies) being built at the Martin Jansen Shipyards in Leer, FRG.

The transaction is being carried out through a loan from KFW, a banking institution in West Germany that is represented in Colombia by the firm Ferrostaal de Colombia. The deal was approved after studies and programs conducted by the Maritime and Ports Directorate, under Rear Adm Hernando Camacho Landinez. The studies began after an Ocean Sciences Seminar held in Villa de Leyva in August 1967 reached the conclusion that the vessel that the country had been using for oceanographic research since 1944 was totally inadequate and that there was a pressing need for the country to have at least two new ships to make real progress in these important branches of science.

Twenty-Eight Million Marks

With close cooperation from Dr Julio Cesar Espitia, the head of the Planning Office of the Maritime and Ports Directorate, as well as several navy officer experts attached to the office, a thorough study was begun of the terms offered by various European countries. The conclusion was that the Martin Jansen Shipyards in the FRG were offering the best terms.

The transaction had a total cost of 28,746,000 German marks. Two vessels were ordered: a fishing and oceanographic research vessel costing 13,835,254 marks and a geophysical and oceanographic research vessel costing 14,910,750 marks.

Specifications

The two modern boats have the following specifications: 1,090-ton displacement; 50½ meters in length; 10 meters wide; a 4-meter draft and a 6-cylinder main diesel power plant with 1,570 horsepower at 1,000 RPM.

The vessels will be christened "ARC Malpelo" and "ARC Providencia." The first of them will be delivered on 1 March and the second on 26 May of this year.

Fishing Research

The "ARC Malpelo" will be used for fishing and oceanographic research and will be outfitted with the following specialized equipment: a hydraulic deck crane specially designed for oceanographic and geological work and with a 2-ton lift capacity; a fishing haul winch; another winch, with an 8,000-kilogram capacity, for deep water catches; two cold-storage rooms; underwater photography equipment, including photographic and television cameras; fishing equipment with several kinds of nets; biology, physical oceanography and chemical oceanography equipment; a salinity, temperature, density and oxygen system; geophysical equipment containing a side-scan sonar; meteorology equipment and an interoceanic thermosalinometer.

Geophysical Research

The "ARC Providencia," which, as mentioned above, will be used for geophysical research, is outfitted with similar devices, in addition to biology equipment for plankton samples and advanced underwater and ocean subsoil exploration systems to investigate hydrocarbons and nodules containing metals such as nickel, manganese, cobalt and copper.

The two vessels will carry 37 persons, 26 of whom will be crew members (5 officers and 21 noncommissioned officers and seamen), the others being scientists who will utilize the laboratories in accordance with the programs to be worked out by collaborating scientific institutions.

Impact

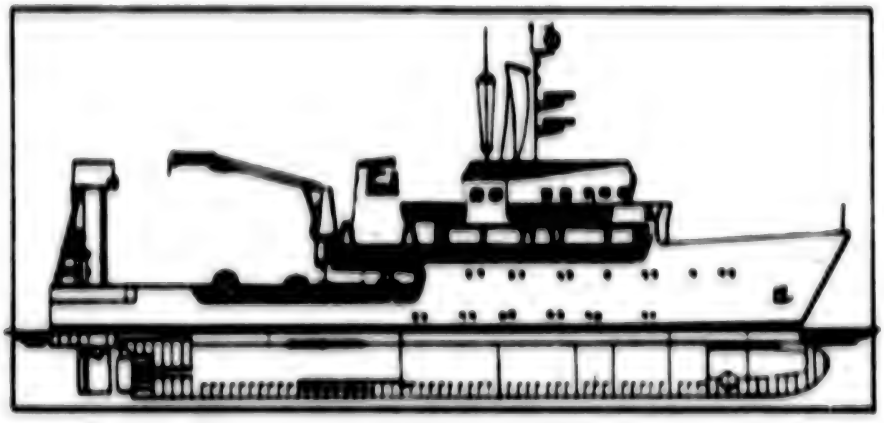
Rear Admiral Camacho stated that with its two new vessels the country would be in a position to conduct fishing research and draw up inventories of living resources in its territorial waters, thus benefiting the national economy and enhancing the Colombian people's diet.

The "ARC Providencia" will also make possible the exploration of the ocean floor in the search for hydrocarbons and metal-containing nodules. This will place Colombia in the forefront of such activities in South America. We would not have to resort to foreign assistance and we would have ample opportunity to train our scientists and achieve development comparable to that of the most advanced nations.

According to the information furnished by the ranking Colombian Navy officer, the crew members have already gone to the FRG to receive training and instruction on how to install and run the equipment.

Silent Work

Rear Admiral Camacho, who is about to leave the Maritime and Ports Directorate after heading it up for 3½ years (he will be joining the headquarters of the Naval Staff), told EL ESPECTADOR that the directorate has been doing an effective job monitoring the country's maritime and ports operations. Because it has done its job discreetly and quietly, it has not been publicized to the degree that its importance warrants.



The design of one of the two new vessels that will soon be delivered to the Colombian Government, which will be using them for oceanographic, fishing and geophysical research.

Pollution Studies

"Last year," he said, "we set up a pollution laboratory, the only one of its kind in the Caribbean area, and in cooperation with the University of Miami, we are conducting a study on pollution in Cartagena Bay so that we can make recommendations to the government on ways to prevent it from spreading. We are also conducting a study on marine sedimentation and we are making progress in charting Colombia Bay, the Gulf of Uraba, Solano Bay, our Pacific coast and a wideranging area around La Guajira."

Mission of Vital Importance

"It bears mentioning," Rear Admiral Camacho added, "that the Maritime and Ports Directorate is in charge of other important activities, such as the preservation of the marine environment and the conservation of ocean species; hydrographic studies; regulating shipping; the construction and installation of radio beacons, beacons, buoys and markers; the technical administration of the National Navy; monitoring leases of tidelands so that beach areas belonging to the nation are not invaded; monitoring the operations of foreign-flag research vessels in Colombian waters; running harbor master's offices and, in general, everything related to the enforcement of the regulations applying to sea-going vessels in our country."

8743
CSO: 3010

COLOMBIAN PETROLEUM ENTERPRISE FACILITIES DESCRIBED

Bogota EL ESPECTADOR in Spanish 17 Feb 81 p 12-A

[Text]

A view of the ECOPETROL refinery in Barrancabermeja

The Colombian Petroleum Enterprise (ECOPETROL) is a state-run agency in charge of domestic petroleum-related activities. It operates as a state commercial and industrial enterprise, comes under the Mines and Energy Ministry, produces half of the country's crude oil and is organized into five major operational units:

1. The Production District, headquartered in El Centro, in the municipality of Barrancabermeja, where the oil is extracted; 2. The Industrial Complex for Petrochemical Refining, located in Barrancabermeja, processes some 140,000 barrels a day; 3. The Oil Pipeline District, headquartered in Bogota and with facilities throughout the country for transporting oil and its derivatives; 4. The Cartagena Refinery in Mamonal processes 50,000 barrels a day; 5. The Northern District in the Catatumbo region extracts and refines oil. Especially important is the 4,700 square meter waste water treatment plant in Barranca, which processes sewage before releasing it into the Magdalena River, which has been plagued with highly toxic substances.

8743
CSO: 3010

INTA DESCRIBES AGRARIAN REFORM SUCCESSES, FUTURE GOALS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 5 Mar 81 pp 4, 15

[Text] Positive Results in the Implementation of Agrarian Reform by INTA

The government of the republic, through the National Agrarian Transformation Institute [INTA], has, to date, turned over 21,500 title deeds to farming families on parcels and plots of land, benefiting over 10,000 persons.

The merit of the work done by the government of Gen Lucas Garcia in the agrarian area must be analyzed from the results which have unquestionably been positive, because they have brought security and peace of mind to the Guatemalan family, meeting the farmer's need for land. The holding of land or small farms has also been legalized, resolving longstanding lawsuits which were, on more than one occasion, the cause of anxiety in rural areas.

Latest Turnovers in Panzos and San Luis Sacatepequez

At the end of February, INTA made a turnover of 133 title deeds in two communities in the interior section of the country, continuing the task of solving agrarian problems that have been pending for many years.

The residents of the community of Puente Viejo Panzos, Alta Verapaz, were benefited with 72 deeds, and those of San Luis Pueblo Nuevo, Pastores, in the jurisdiction of Antigua, Sacatepequez, were benefited with 81 deeds.

In attendance in the Antigua locality was the departmental governor, Col Armando Azurdia, as well as INTA's top-ranking authorities, namely: engineer Luis Felipe Escobar, president; agronomical expert Braulio Villatoro, first vice president; and accounting expert Ruben Castellanos.

Engineer Escobar and accountant Castell...os took the floor to discuss the work that the government of the republic has been doing to resolve old agrarian problems on the one hand and, on the other, to carry out new agrarian reform programs, turning over new lands through the family agrarian assets system, in other words, on a community basis, in accordance with the new philosophy adopted during the government of Gen Lucas Garcia.

Farmers' Confidence in the National Agrarian Transformation Institute

The newsmen who, in the performance of their duties, are in constant touch with the INTA are ideal and impartial witnesses to the dynamism that the Institute has applied to solve countless problems in the rural environment.

The weekly turnovers of title deeds have become regularized, and hence there has been success in establishing a real record of deliveries under the present government, exceeding that of the previous regimes.

Many agrarian problems have been resolved in crucial areas, and have on various dates been published in big headlines by the newspapers, such as the conflicts that arose in the communities of the region of Panzos, Alta Verapaz; and San Miguel Uspantan, in the department of El Quiche; and the most recent one, the 200-year old lawsuit of the so-called "Mountaineers" of Santa Maria Xalapan, with the community residents of Sansare, in the department of El Progreso.

In the latter instance, there was success in gathering together the groups concerned, so that they might discuss their differences through constructive dialog; and they achieved the signing of the "Act of Peace," which laid the groundwork for the definitive settlement of that explosive situation which had lasted for 2 centuries.

The members of the communities of Santa Maria Xalapan and Sansare placed their confidence in the INTA, turning over to the authorities the valuable documents (the Royal Letters Patent, issued by King Carlos V of Spain in 1754), which they had carefully guarded, because they legitimized the ownership of their land.

The INTA's principles of carrying out an "agrarian reform without demagogy" have been fulfilled in their entirety. The government of Gen Lucas Garcia has turned over the land to those who work it, transforming the Guatemalan agrosocial environment, which will have a direct effect on the country's promising future. In particular, there has been success in intensifying and keeping the commitment of peace made to the people, based on collective prosperity.

INTA Promoted Reforms to the Law on Agrarian Transformation, Decree 15-51

The present authorities of the National Agrarian Transformation Institute have promoted immediate reforms to Decree 15-51 of the Congress of the Republic (Law on Agrarian Transformation), to lend greater dynamics to the activity in which the Institute is engaged. A study is being made of a new Agrarian Code, to replace the present legal system for land. Of course, the respective consultations will be held with all the sectors concerned with the most important aspect of national life.

One of the most positive gains from the legal reforms allows the communities to legitimize their proprietary rights in the Registry of Real Estate, through simple procedures that will guarantee the legal security of the beneficiaries.

Immediate action is being taken aimed at consolidating the state's holdings and at clearing the existing assets that will make it possible to plan and accelerate the future adjudications of land resources.

Political Campaign - With President Lucas' Word Given to the People

Latent in the memory of contemporaries, and especially the farmers, is the promise made by then Peronista Roman Lucas Castro, during his presidential campaign, that the land would be turned over to the people who work it.

And the president is complying with the word given to the people. A total of 71,000 titles already have been turned over. To date, massive turnovers of title deeds have been made in 100 locations. The most recent to benefit are farming families in the communities of Palestina Cantonal, Santo Domingo, Pancho II, San Francisco, Campos and Semilla, and of Panzos, Alta Verapaz and Nueva Esperanza, and San Alfonso, Santa Elena and Petén, in the Northern Transversal Strip, in the jurisdiction of the department of El Quiché; and in Buenos Aires, Nueva San Carlos, Retalhuleu, and San Ignacio, El Progreso, and Nueva San Carlos, Retalhuleu; the community of Puente Viejo, Pantaleón, and San Luis Poshte Nuevo, Petén, and Sacapulas.

The population that benefited exceeds 100,000 persons, and the area of land distributed exceeds 200,000 hectares. The turnovers were made in Alta Verapaz, Izabal, El Progreso, Escuintla, Solola, Guatemala, Retalhuleu, El Quiché, San Marcos, Huehuetenango, El Petén, Jutiapa, Santa Rosa, Quezaltenango and Sacatepequez.

The total agrarian reform policy that the government is implementing is oriented to directing its efforts toward the provision of plots of land and basic services to thousands of farming families and the incorporation of hundreds of thousands of hectares of land into the country's production. This policy is reflected in the specific goals of the INTA, which are the following:

To achieve better distribution of land, turning it over to each beneficiary family.

To improve the distribution of the means of production.

To raise the living standard of the farming family, offering equal opportunity to all the beneficiaries for their well-being improvement.

To study the social economic, in addition to cultivation of all increasingly greater participation in their own development.

For this reason, the INTA has made a great effort to ensure that the land is delivered, while at the same time concerning for those the land is not enough, so as to make every beneficiary a viable unit.

Simultaneously with the development of the Northern Transversal Strip, the INTA is implementing 5 plots of land, 53 agrarian cooperatives, 15 agrarian committees, 2 plots of land for the existing phase of intensification, to which are added legal titles that have resulted in legalizing benefiting 10,000 farming families in the cooperatives, and also benefiting another 5,000 farming families that are in agrarian communities.

Northern Transversal Strip, a Major Settlement Project

One of the projects of the government of Lucas Peronista Romo is the (1971) settlement in the major settlement project known as the Northern Transversal Strip

To give a brief description of what the work being done by the INTA in the northwestern area represents for the nation's progress, we shall cite excerpts from a documentary in color produced by the public relations department of the National Agrarian Transformation Institute.

With the technical cooperation of Channel 5, the filming was done on the socioeconomic development project of the Northern Transversal Strip, particularly the infrastructural work and that involving the settlement for which the Agrarian Institute is responsible.

After the introductory remarks by the head of the INTA, engineer Luis Felipe Escobar, announcing the purpose of the project that is intended to settle 30,000 farm working families, air and land views of the area are shown, as well as details and panoramic views of the infrastructural work being done by the INTA as an executing unit for the project, in addition to other aspects relating to future centers of tourist attraction, such as Laguna de Lachua, El Quiche, the Chixoy River and others.

This documentary, which lasts 30 minutes, gives an idea of the splendid endeavor represented by the settlement of the Transversal Strip, with its luxuriant nature, rivers, camps, as well as various aspects of the main highway, secondary roads, sawmills, schools, testimony from the beneficiaries and impressive views of the landscape of that area, with a great future as a tourist attraction.

Thanks to the determination of the government of President Lucas, all the entities of the agricultural, educational and health public sectors and others, are expending their efforts and resources in that area.

The Northern Transversal Strip covers a vast national territory in the departments of Huehuetenango, El Quiche, Alta Verapaz and Izabal. It is a region with a semitropical climate, which had remained abandoned and ignored, and where the natural resources have only waited for the hand of man to produce their fruits for the benefit of the society.

Since 1977, the INTA has received enormous cooperation from the Army, when the armed institution decided to built large sections of highway which, combined with what was accomplished by the INTA and the oil exploration companies, have made it possible to travel by car from Modesto Mendez, on the edge of Izabal and El Peten, as far as the eastern shore of the Ixcan River, in Santa Cruz Barillas, Huehuetenango.

The preliminary studies of the area's natural resources indicate that its soil is suited for a large variety of crops, particularly those of great economic profitability, such as cardamom, vanilla and pepper; and, most of all, it offers an optimal opportunity for agricultural and livestock development.

With this information, farming settlements have been planned, organized as agricultural villages, located a moderate distance from an urban center and from services, which will afford them a livelihood, education, medical care, communication among themselves and with the rest of the country, and the marketing of their products.

Although voluntary settlement is not precluded, there is promotion of the transfer of farming families from locations where there is greater demographic pressure and where the economic income is under 400 quetzales per year. The goal is that, when

they are settled, and producing normally, their income will not be less than 2,000 quetzales per year.

Over 30,000 Guatemalan Farming Families Will Benefit From the Execution of This Program

According to the experts in development, this project, owing to the manner in which it has been conceived and the extent of its primary goals, such as rational utilization of a vast sector cut off from agricultural-livestock development despite the fertility of its soil and its ecological features for increasing diversified agriculture, is the most significant project in the realm of agricultural-livestock development that has been undertaken in the country since it became aware of the need to incorporate the farmer into development, by providing him with his own land and resources for accruing from it the benefits to which he is entitled as a Guatemalan producer of wealth.

According to the reports that have been obtained, on the northern transversal Strip 26 kilometers of main highway, 80 kilometers of penetration roads and 10 kilometers of gap have been constructed. In addition, four camps have been built: two in the Ixcan section, and two in the Lachua section.

Two Bailey bridges have been erected, measuring 20 and 16 meters long, on the penetration road to the village of Semoz, in the Modesto Mendez section; and now another Bailey bridge has been built on the main highway, in the Ixcan section, over the Xalbal River, which is 64 meters long. The total cost of these bridges is 55,000 quetzales.

The maintenance work on the highways is extremely important, owing to the increased value of the region. The Army Corps of Engineers is engaged in intensive activity to improve and expand the main highway and some penetration roads, while the National Agrarian Transformation Institute is providing regular maintenance on 400 kilometers of highway, in order to keep them passable in all weather.

When we calmly analyze the work accomplished by the INTA, we can claim with a spirit of fairness that the top-ranking authorities of the Institute are keeping the historical commitment to pave the way for a promising future for the nation, and especially for thousands upon thousands of farmers and individuals of modest means.

Engineer Luis Felipe Escobar, president, agronomical expert Braulio Villatoro, first vice president, and accounting expert Ruben Castellanos, second vice president of the INTA are responding with honor and a great capacity for work to the confidence placed in them by the president of the republic, and in particular, with patriotism, to thousands of humble families who have benefited from agrarian reform.

2909
CSO: 3010

LEFTISTS UNITE TO WIN MORE CONGRESSIONAL SEATS

Mexico City EL SOL DE MEXICO in Spanish 22 Feb 81 p 3-A

[Text] Capitalism is in the midst of a serious crisis throughout the world, and therefore the Mexican left will soon launch an offensive to gain ground in the country.

This remark was made yesterday by Jose Luis Moreno Borbolla, leader of the Socialist Current of the Valley of Mexico, at the National Congress for the Merger of the Mexican Left, which decided that four Socialist organizations would unite to form a new leftwing political party to bolster this movement in the country.

It will be called the Mexican Socialist Party and will seek to join with other democratic leftwing factions in Mexico to form a bloc that would further the leftwing movement in Mexico.

The member groups are the Socialist Current, the Socialist Tendency, the Currents of the People's Struggles and the Coordinating Commission of Marxist-Leninist Unity.

In addition to deciding on the name of the new party, the congress, which will conclude next Monday, will designate the party's national directorate.

They will first seek registration as a political association, in accordance with the LOPPE, and then as a political party.

The basic goal is to unify and strengthen the left, which is divided at present because of dogmatism and factionalism.

The congress will also issue a National Political Plan of leftwing forces. It will be put into practice as soon as possible to lend consistency to this ideological movement.

In conclusion, he urged all leftwing parties, with the exception of the PPS [Popular Socialist Party] and the PST [Workers Socialist Party], which have their own ideology, to join in and thus make the left the country's second strongest electoral force. He said that the left's most serious problems are internal and must be overcome to achieve unification.

STATE FISHERIES ENTERPRISE ANNOUNCES PLANS FOR 1981

Mexico City EXCELSIOR in Spanish 26 Feb 81 p 24-A

[Text] I. Background

Mexican Fish Products (PPM), S.A. de C.V., is a government-run enterprise that was created in 1971. Its basic goal is to further the development of fishing in Mexico. Its activities are: fishing in the gulf and the Pacific, with 190 vessels; purchases from fisherman and cooperatives through 155 catch and collection centers in 15 coastal and 4 inland states; processing in four basic product lines: frozen, canned, fresh frozen and dried-salted, meals, oils and others; domestic and export marketing.

To carry out these activities PPM comprises the following enterprises: Fish Products of Sinaloa, S.A. de C.V., headquartered in Culiacan and with installations in Topolobampo, La Reforma and El Castillo; Fish Products of Mazatlan, S.A. de C.V.; Fish Products of Escuinalpa, S.A. de C.V.; Mexican Fish Products of Michoacan, S.A. de C.V., with installations in Patzcuaro and Coahuayana; Fish Products of Guerrero, S.A. de C.V., with installations in Zihuatanejo, Tecoanapa and Acapulco; Fish Products of Salina Cruz, S.A. de C.V., with installations in Salina Cruz, Puerto Angel and Puerto Madero; Fish Products of Yucalpeten, S.A. de C.V., Fish Products of Alvarado, S.A. de C.V.; Refrigeradora de Tepepan, S.A. de C.V., with 52 distribution centers, 22 retail outlets and 5 warehouses throughout Mexico; Ocean Garden Products, Inc, headquartered in San Diego, California and supported by two affiliated firms: Compass Transportation Company and Sierra Refrigerating Company; Associated Exporters, S.A. de C.V., headquartered in the Federal District, in addition to seven regional field offices in the states of Campeche, Jalisco, Nayarit, Quintana Roo, Sonora, Tabasco and Tamaulipas.

Over the past 4 years considerable progress has been made in purchasing and catch operations, and industrial installations are being expanded to insure the proper processing of our products. With this in mind, we have established partnerships with state governments, cooperatives and private individuals, in addition to boosting our catch capacity with a new and more up-to-date fleet, expanding product lines and building new industrial facilities. On this basis, in 1981 we will consolidate many of the projects that we have begun, which will enable us to process 10 times as much as we did in 1977 and thus play an increasingly solid role in the country's marine products output.

II. 1981 Budget

The authorized funded budget for the enterprises of the PIM as a whole consists of 15,517 billion pesos in its own resources and 4,262 billion in contributions from the Federal Government, which gives a total of 19,779 billion pesos. Of the overall budget, 6,086 billion (34 percent) will be earmarked for investment; 5.7 billion of which will be financed through fiscal resources and 986 million in loans. Some of the major investment projects are: 1,861 billion for the construction of 83 boats (joint investment with cooperatives), 487.7 million for the Sonsi-108 Project, which consists of installations, plants and fishing fleet in Puerto Madero, Chiapas, Salina Cruz, Oaxaca and Lerma, Campeche; 286.5 million for a sardine, tuna, shrimp and scale fish processing plant in Cerro de las Gallinas (Topolobampo); 216.1 million for catch centers; 196.8 million for a tuna and sardine processing and fish oil and meal plant in Mazatlan, Sinaloa, specifically in the A.V. Bonfil Industrial Park; 111 million for the construction of a network of cold storage plants in nine states: Campeche, Colima, Chiapas, Oaxaca, Sinaloa, Sonora, Tamaulipas, Veracruz and Yucatan; 104.7 million for upkeep and maintenance; 90 million for various joint investment projects in the state of Sonora, to set up fish farming plants to process sardines, tomato, squid, tuna and other species; 67.9 million for installations in Campeche, Nayarit, Quintana Roo, Tabasco and Tamaulipas; 31 million for a net manufacturing plant; 19.8 million for turtle processing plants; and 199.7 million for the Yucatan production plants in Topolobampo, Sinaloa and Lerma, Campeche.

III Goals for 1981

1/ Production Program

The goal for 1981 is to take in a total of 270,511 tons of products, the breakdown being 122,881 tons of catch, 81,711 tons of purchases from third parties and 8,919 tons of cultivated shrimp. The goal of 270,511 tons is double the 1980 goal and 70 times the 1977 figure. The strategy for achieving this goal is described below for each program.

a) Coastal fishing will aim at boosting the exploitation of species with little commercial value (sardines, shark, jacks) and the [illegible] fishing. The amounts to be obtained from these species [illegible] 60 percent of the total. The goal of 122,881 tons represents [illegible] times the 1977 catch and more than double the 1980 catch. The strategy for expansion will be consolidated on the basis of the two contingency programs begun in late 1979 and continued in 1980 and 1981. This strategy [illegible] be delivered 77 trawler-type fishing boats, 5 [illegible] 100 [illegible] 3 [illegible] and 1 [illegible] with modern [illegible].

b) Furthermore, the development strategy for coastal fishing will continue to be supported through numerous programs and the network of port centers. In the short run, coastal fishing offers the best chance for boosting catches of [illegible] species, namely, white [illegible] it is here and job opportunities in the fishing community [illegible].

cooperatives. The presence of our enterprise in places whose fishing potential has not been sufficiently developed will boost supplies on the domestic market, thus helping to regulate the activity in these spots.

The acquisition of three private turtle-processing companies will simplify the production and commercial structure for this seafood and enable the cooperatives involved to share in the benefits accruing from this reserved species, not only in the form of better pay for fishermen but also as a function of their joint ownership of the plants.

More than 80,000 tons of various species will be bought in 1981, which entails expenditures of some 2 billion pesos. These transactions will be monitored through administrative mechanisms that provide detailed information on how the money is utilized in fishing zones and purchasing centers and that are backed by computerized systems to streamline the handling and checking of this information.

The launches that will be provided in 1981, 80 percent of them to cooperatives, will generate more than 3,000 direct jobs at an approximate cost of 50,000 per job.

c) Semiprocessing--Semiprocessing offers major advantages because it furnishes additional raw material for the plants and enables the state-run enterprises to fulfill social goals by supporting the production of the cooperatives. This service will continue to be provided in 1981, as it has been widely accepted so far because of both its quality and efficiency. From 1977 to 1980 the quantity of this product has remained stable at around 10,000 tons.

2) Processing

Some 111,847 tons of end products will be put out in 1981; this is almost three times the 1980 figure and more than eight times the 1977 level. The breakdown is 41,175 tons of frozen, 56,558 tons of fresh frozen, 3,963 tons of dried-salted, 9,117 tons of meal and 21,034 tons of canned items, which is more than 65 million cans, around 60 million of which are sardine and tuna. Among the major frozen items are scale fish with a total of 18,458 tons and shrimp with 10,883 tons.

Industrial strategy aims at bolstering fishing activities by developing innovative new ways of introducing seafoods and making them more available to all segments of the population, especially in the countryside, where the nutritional level of the people must be enhanced with high-protein foods that do not require freezing.

3) Marketing

Sales in 1981 will total 147,301 tons, 121,740 of which (83 percent) will be earmarked for the domestic market, with the following breakdown: 56,881 tons of fresh frozen products, 11,701 of frozen items, 20,415 of canned goods, 3,812 tons of dried-salted products and the rest, meals and oils. Total sales represent twice as much as in 1980 and more than seven times as much as in 1977.

Marketing and distribution efforts are designed to make more low-priced items available, both in urban and local and regional markets, 62 percent of the products will be earmarked for the SAM [Mexican Food Supply System].

Short term moves are designed to expand the distribution network by complementing it with the public sector's marketing channels. Thus, Federal government agencies such as CONASUPO [Government Basic Commodities Company], IMSS [Mexican Social Security Institute], SEASON, DIF [System for Complete Family Development] and FONAPAS, will play an active role in the sales strategy. Regional distribution will be taken care of by the aforementioned agencies in coordination with the appropriate state and municipal authorities.

The commercial network will be strengthened in the medium term by additional investments in the network of cold-storage plants, warehouses, transportation and new distribution centers.

IV Mexican Food Supply System and Basic Foodstuffs

The output earmarked for the Mexican Food Supply System in 1981 totals 72,000 tons, 65 percent fresh-frozen products, 18 percent canned goods, 11 percent fresh meat and the rest dried salted. Some 60,000 tons are earmarked for the people in municipalities and critical zones and the rest for low-income districts in urban areas.

V Jobs

The cooperative will continue to generate a significant number of direct and indirect jobs through the expansion of its catches, purchases from third parties, processing work and marketing. As far as catches are concerned, the expansion of the fleet will provide jobs to about 1,400 persons, and the program to provide small fishing vessels will generate another 1,000. Increased processing and marketing operations will boost the number of enterprises employed by 30 percent.

The cooperative currently employs around 7,000 persons. Adding in the workers [illegible] employed by [illegible] of the approximately [illegible] jobs that will be created by the expansion of the fleet, the cooperative will employ [illegible] persons, both in the fishing cooperatives and related industries. These workers will earn [illegible] pesos.

VI Promoting the Cooperative Movement

In order to bolster the efforts and enhance the involvement of the cooperatives [illegible] in the enterprises through such activities, purchases from third parties and purchases of specific processed items, a larger role for the cooperatives will be created [illegible] substantially increase its profits to [illegible] and utilize its productive capacity as much as possible. To this end, joint ventures and partnership agreements will be established, and this with those [illegible] and their products will be carefully regulated to provide them the best possible deal in terms of price and productivity. At present, the [illegible] operates in partnership with 182 fishing cooperatives.

VII. Exports

Income from exports in 1981 is estimated at 5.423 billion pesos. Overseas sales represent 17 percent of total sales volume and 57 percent of total sales value. Shrimp account for 83 percent of total exports.

Our foreign sales strategy will provide for a continued strengthening of the cooperative sector by generating permanent income and jobs for it. Eighty-five percent of the income from overseas shrimp sales goes to the cooperatives. In addition, shrimp boats will be used more widely to catch other species, mainly during closed seasons. This will both generate ongoing foreign exchange and job opportunities and diversify fishing activities.

VIII. Administrative Reform

In order to bolster the arrangements of the Administrative Reform and support the national food supply policy, we will continue updating and, when applicable, implementing the necessary organizational and executive arrangements to promote and monitor the proper conduct of the corresponding support programs.

In order to multiply its impact as one of the state's few instruments for the production and marketing of high-protein animal foods, the enterprise will intensify its joint investments with the public and private sectors. Thus, various cooperatives will have a 45 percent share in the value of each vessel called for in the 1981 program, thus affording them the possibility of forming capital and having a real share in profit-making investments, in addition to guaranteeing permanent job opportunities and income. Moreover, various partnerships with foreign and domestic private investors are planned in the industrial branch and related activities.

Based on the approaches suggested by the enterprise and approved by the Secretariat of Labor and Social Security for drafting productivity programs in state-run enterprises, such programs have been initiated and this year will focus on cutting costs and boosting the use of operating capacity. To back this program, in 1981 more than 60 percent of all workers will take part in training, cultural development, social welfare and recreation activities. To complement these activities, an agreement in this sphere has already been signed with CENAPRO, and a fishermen's training center will be set up in coordination with BANPESCA and the Fisheries Department in San Francisco, Nayarit.

IX. Projects

1) Fleet

One-hundred and eleven of the vessels contracted for in 1979 are scheduled to be completed; 6 have already been delivered, and the remaining 105 will join the fleet this year. In addition, a program to build 83 more vessels will start up, and 10 of them will be delivered this year. Thus, in 1981 the fleet will number 309 vessels, in the following categories: 21 sardine boats, 157 trawlers-scale fish boats, 5 setliners, 21 tuna boats, 102 red snapper boats and 3 shark boats. The expansion of the fleet will boost the enterprise's catch capacity by 16,000 tons (warehouse capacity).

2) Purchases

Two catch centers will be completed in the states of Chiapas and Veracruz in 1981, and construction will begin on four others. In addition, 2,358 launches outfitted with motors and fishing tackle will be purchased for more than 70 fishing communities.

3) Processing

Work will continue on the installation of four new integrated plants in Cerro de las Gallinas, Sinaloa; Lazaro Cardenas, Michoacan; the Alfredo V. Bonfil Industrial Park in Mazatlan, Sinaloa, and Yavaros, Sonora.

Work will begin on the integrated plants in the southeastern part of the country under the Mexico-IDB Project. Construction this year will start in Puerto Madero, Chiapas; Salina Cruz, Oaxaca and Lerma, Campeche.

Production will continue to be diversified with the installation of Pepepez production plants and four turtle processing plants and the introduction of eight dried-salted lines, two smoked fish lines and one vegetable line.

4) Marketing

A network of cold storage plants and refrigerated transportation will be set up in Campeche, Colima, Chiapas, Oaxaca, Sinaloa, Sonora, Tamaulipas, Veracruz and Yucatan.

5) The regional offices will be complemented with refrigeration, freezing and basic processing facilities in Campeche, Jalisco, Nayarit, Quintana Roo, Sonora, Tabasco and Tamaulipas.

6) Three freezing plants will be set up in Tamaulipas, Guerrero and Yucatan.

7) Processing facilities in PPM enterprises will be complemented with 7 scale fish processing lines, 4 frozen fish lines, 7 canned fish lines, 5 fishmeal factories, 12 ice plants, 7 laboratories and 3 contaminant detection systems. In addition, a net manufacturing plant will be set up as a joint investment project.

8743
CSO: 3070

ZACATECAS PILOT PLANT FOR GUAYULE RUBBER ANNOUNCED

Mexico City EL DIA in Spanish 28 Feb 81 p 2

[Article by Jesus Banuelos]

[Text] Zacatecas, Zacatecas--Researchers and teachers at the Antonio Narro Autonomous Agrarian University in Saltillo yesterday took part in a working meeting concerned with agroindustrial development in the semidesert area of Zacatecas; they presented important studies related to the feasibility of the first guayule rubber plant in the country, which would be located in the municipality of Mazapil.

Present at the meeting were the governor of the state, Jose Guadalupe Cervantes Corona, and the coordinator of the Agroindustrial Development Commission of the SARH [Secretariat of Agriculture and Water Resources], Rodolfo Echeverria Zuno.

Dr Enrique Campos Lopez, director of the Center of Applied Chemistry Research in Saltillo, said that the Mazapil region, which includes the municipalities of Melchor Ocampo, Concepcion del Oro, El Salvador and Mazapil, covering about 20,000 square kilometers, contains an abundance of guayule, and there is every prospect that the region can become a major socioeconomic development enclave through the utilization of this desert plant, which could in 10 or 15 years supply 30 to 50 percent of the domestic rubber market.

For his part, Jose Angel de la Cruz Campa, an engineer and director of the Antonio Narro Autonomous Agrarian University, said that Zacatecas has always been the first choice for the location of the first rubber plant. He stressed that if the authorities approve the reforestation plan, appropriate sites will have to be chosen to grow guayule.

With regard to the feasibility of the guayule plant, he said that there is no reason to halt this government project because it is technically viable.

Echeverria Zuno said in his speech that President Jose Lopez-Portillo and Secretary of Agriculture and Water Resources Francisco Merino Rabago have given instructions to study and analyze the possible establishment of a natural rubber plant, in response to a request that the governor of the state, Cervantes Corona, made last October to the chief executive and that he brought up again at the Fourth Meeting of the Republic held recently in Hermosillo.

Cervantes Corona said in his address that the guayule plant must not be just a big company, because in itself it would not yield any benefits to the inhabitants of the region and could become a financial drain that neither the Federal nor the State Government should tolerate.

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